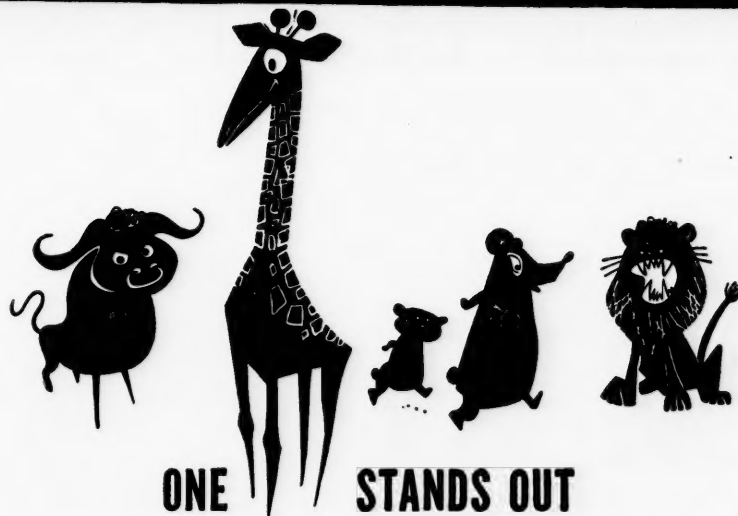


The NATIONAL UNDERWRITER

Life Insurance Edition



ONE STANDS OUT

One of the first among all life companies to recognize the need for Noncancellable & Guaranteed Renewable sickness, accident and hospital coverage, Union Mutual continues to set the pace for this type of contract. Sales show it. Today's UM Non-Can policies provide a stand-out combination of benefits which in terms of your prospect's protection and peace of mind cannot be equalled. Here's why:

6 Ways UM'S Non-Can Contracts Serve Your Prospect

1. **NONCANCELLABLE and GUARANTEED RENEWABLE.**
So long as he pays the deposits, Union Mutual cannot cancel, change or add a restrictive rider to the contract for any reason whatsoever.
2. He may **CHANGE TO A MORE HAZARDOUS OCCUPATION** without changing his deposits or benefits.
3. There is **NO LIMIT** to the number of claims.
4. As a UM policyholder, your prospect is considered disabled when he cannot work at **HIS OCCUPATION** or one for which he is suited.
5. He does **NOT HAVE TO BE CONFINED TO THE HOUSE** to receive benefits.
6. **UNION MUTUAL WILL PAY** any deposit due during total disability that continues more than 90 days. It will refund any deposit which may have been made during this 90-day period.

Underwritten by

UNION  **MUTUAL** LIFE INSURANCE COMPANY
OF PORTLAND, MAINE
Canadian Head Office — Montreal, P. Q.

America's Eighth Oldest Life Insurance Company.

Rolland E. Irish, President * John R. Carnochan, Vice President
in Charge of Agencies.

LIFE UNDERWRITERS SINCE 1848

FRIDAY, APRIL 22, 1955

The Case of the PULLED PEDESTRIAN



Solved by Accident Insurance

A pedestrian, while walking beneath an overhead door of a public garage, snagged his foot in a rope attached to the door. A garage employee, at this moment, pressed the button elevating the door and the pedestrian was elevated with it. (Claim payment—over \$2,000)

Daily life is filled with booby traps waiting to cause painful, costly accidents. Very often they cannot be avoided; but loss of income and savings can be prevented through Accident Insurance. Your clients, whether they are heads of households or key men in business, should be provided with this vital protection.

Your Travelers manager will be happy to give you full details of Travelers modern Accident policies . . . plus a supply of sales-producing leaflets and promotional materials.

THE TRAVELERS INSURANCE COMPANY

Hartford 15, Connecticut

The NATIONAL UNDERWRITER

59th Year, No. 16
April 22, 1955

The National Weekly Newspaper of Life Insurance

Ordinary Sales Top All Monthly, Quarterly Records

All Classes' Total Beats Any Previous March and First-Quarter Achievements

March life insurance sales amounted to \$3,777,000,000, a 10% increase, and the largest March total on record, according to LIAMA. Total first-quarter sales were \$10,147,000,000, up 15%, making it the largest first quarter on record.

Ordinary life sales in March were \$2,760,000,000, a 16% rise. This was the largest single month's total on record for ordinary. The previous high was reached last December, when ordinary totaled \$2,475,000,000.

March industrial sales totaled \$573 million, a 1% increase. New group life sales amounted to \$444 million, down 8%. These represent new groups set up and not additions under contracts already in force.

Ordinary life sales in the first quarter accounted for \$7,126,000,000, a 19% increase and an all-time record for any quarter. The three-month total for industrial was \$1,605,000,000, up 7%. New group life totaled \$1,416,000,000, an 8% rise. These figures are new first quarter highs for industrial and group. LIAMA figures do not include credit policies.

Metropolitan Not to Oppose N. J. Variable Annuity Measures

NEW YORK—Despite its opposition to the enactment of any variable annuity legislation this year, Metropolitan Life does not plan to oppose the bills sought by Prudential in the New Jersey legislature which would enable any domestic life company to write group and individual variable annuities.

Metropolitan was instrumental in the defeat of the New York bill that would have authorized the formation of the Variable Life Income Corp. of America and President F. W. Eckert is reported to believe that the variable annuity is not a form of coverage that a life company should issue. However, inquiry by THE NATIONAL UNDERWRITER at the Metropolitan home office elicited the information that Metropolitan has not taken any steps to oppose the New Jersey bills and does not intend to. Assemblyman Barnes of South Orange has told the New Jersey Life Underwriters Assn.'s law and legislation committee that he will ask that a public hearing be held on the bills. This is quite an unusual procedure in New Jersey. The New Jersey association's committee had informed Mr. Barnes that it opposes passage of the bills at this session of the legislature.

Committee members said they feel the proposed legislation should receive further study before action is taken.

Mutual Funds Split on Fighting N. J. Variable Annuity

NEW YORK—None of the mutual funds are happy about the New Jersey bills to permit domestic life companies to write variable annuities, but enough of the investment companies are opposed to battling the Prudential in its own bailiwick so that there is a good chance that the National Assn. of Investment Companies, as an organization, will take no part in trying to block the legislation Prudential is seeking.

This does not mean, however, that individual mutual fund firms will not make strong representations in opposition to the bills at the hearing that Assemblyman Barnes of South Orange has agreed to call.

The investment companies are particularly concerned at the prospect of life companies, with their large numbers of salesmen, being able to sell an annuity based on equities without being subject to Securities & Exchange Commission regulation, as the mutual funds are. The investment companies also believe there may be tax advantages that would give life companies issuing variable annuities a competitive edge.

Some of the mutual fund people believe that if life companies sell variable annuities the logical result will be for mutual funds to convert themselves to the life company form of operation. Another speculation is whether life companies, in order not to be in the position of controlling so much of the economy through stock ownership in corporations, might not prefer a close working arrangement with a group of mutual funds rather than getting into the variable annuity field.

Zalinski to Join Hancock as Sales Administration V-P

BOSTON—Edmund L. Zalinski, vice-president of New York Life, will join John Hancock as vice-president, sales administration, May 1.

Mr. Zalinski started in life insurance as an agent of New York Life in 1942. In the next five years he managed four of New York Life's agencies in New York City and New Haven, with progressively greater responsibilities. He became known throughout the life insurance business first as managing director of the newly created Life Underwriter Training Council and then, from 1949 to 1951, as executive vice-president of National Assn. of Life Underwriters. He rejoined New York Life in 1951 as an agency department officer, becoming vice-president in 1954.

As vice-president and chairman of the agency committee of John Hancock, Mr. Zalinski will develop and expand all three of the company's sales departments—those handling ordinary, group and industrial business.

A CLU, Mr. Zalinski is a graduate of Cornell and of the Harvard graduate business administration school and holds a doctor of philosophy degree, with honors, from New York University. He is a trustee of the American College.



Edmund L. Zalinski

Competition Plus Prosperity Credited for March Records

Delay in Federal Tax Filing Date Also Seen as Factor in Peak Sales

BY JOHN L. LAWRENCE, JR.

A considerable number of life insurance companies capped a highly successful quarter by setting new one-month production records in March. Many other companies that missed setting new sales records in March also made noteworthy gains.

Inquiries by THE NATIONAL UNDERWRITER among several representative life companies revealed that while no company spokesmen would attribute the rise or any specific percentage of it to any one cause, many expressed the feeling that the nation's prosperous economy is responsible for a good part of the gains. Increased competition among companies, better merchandising of their products and improved tax situations for policyholders also were cited as important reasons for good business.

Several observers pointed out that the change from March 15 to April 15 of the filing deadline for federal income taxes may have contributed to the increase, thus continuing the upward trend established in January and February. Retail markets, which did well in March, have listed the later tax deadline as one reason for their activity. The later tax date may slow the rate of increase in new insurance business in April, however.

Many insurance men feel that the companies have been doing a good job in the competition with homes, autos and other items sold on a time basis. Many families may have caught up with time and installment purchases and, with the continued prosperity, are turning more toward insurance protection. Added to this is the optimistic view of the future, which has been building up since late last year, when it replaced a rather negative feeling among consumers.

Insurance companies also have been stepping up their sales efforts and improving their merchandising techniques.

March was Home Life's best month in history, with ordinary life sales totaling \$16,700,000. It broke the \$13,500,000 record set in March of last year. The March sales culminated the best five-month period and the best quarter in company history. The results in March, always a good month at Home Life, were not due to holding back of business by the sales force. There were no contests, campaigns or new policies to soup up production efforts. The group department reported gains but no sensational spurt.

Average individual policy size at Home Life is just under \$12,000, highest in the business. Despite the fact that

(CONTINUED ON PAGE 15)

Late News Bulletins . . .

Rosan Named Associate Editor of Query

Howard J. Rosan of New York City, president of the Samuel D. Rosan agency of Continental Assurance since 1952, has been named an associate editor of *Query*, monthly public relations publication of American Society of CLU. Mr. Rosan has been in the insurance business since 1945.

Asks High Court to Reject Companies Plea

WASHINGTON—The trustee in bankruptcy, who has thus far succeeded in holding five life companies liable for double payments of policy loan values first made to a bankrupt, has asked the U. S. Supreme Court not to review the federal court of appeals decision against the companies. As recounted in THE NATIONAL UNDERWRITER of April 1, New York Life, Reliance Life (now merged with Lincoln National), Equitable Society, John Hancock and Union Central are seeking reversal of a decision holding they must pay the bankruptcy trustee of policyholder Eugene M. Callis of Philadelphia \$45,334 in cash values even though he had already borrowed this amount on his policies. The trustee in his brief argues that if remedies are needed they should be sought from Congress and not in the Supreme Court.

Life Insurance Assn. of America filed an amicus curiae brief through John V. Bloys, with Noel T. Dowling of New York City of counsel.

Provident Home Industrial Mutual Picketed

PHILADELPHIA—Nearly 60 agents of Provident Home Industrial Mutual Life of Philadelphia and Chester set up picket lines at both home offices in a strike over a pension plan, after negotiations were discontinued. Strikers are members of the CIO insurance workers of America. Their leader said the main point involved is the union's demand for a \$50 a month pension for employees after age 65 and 25 years of service.

LAA North Central Round Table Panels Analyze Sales Promotion Aids at Omaha

By CLARENCE W. HAMMEL

Life Insurance Advertisers Assn. built a program of informative panel discussions and talks around a "Treasure Chest" theme at its North Central Round Table meeting in Omaha. Ideas and methods were freely exchanged during the two day session.

Morris Jacobs, president of the Bozell & Jacobs advertising agency, opened the first session with a challenge to provide a selfish motive in consumer advertising. "Your competition is with automobiles and TV, and not with each other. How can you compete with these tangible, beautiful products? Keep in mind that the florist sells every emotion but not the flowers; TV sells drama not copper and wood. You must romance life insurance, dramatize the blessings of life insurance; sell days upon days of careless fishing or travel—not retirement insurance. Sell the home and everything in it—not mortgage insurance; sell opportunities you didn't have and college diplomas—not educational insurance. With the many fine coverages you are in a position to sell life insurance as something living, something great. Build your plans so that public relations integrate with advertising and sales promotion."

A point-of-sale panel was presided over by Ernest Wills, Equitable Life of Iowa.

Frank T. Culp, Jr., Guarantee Mutual Life, advised the use of regional sales meetings to introduce new promotional material and get it used effectively in the field. It takes on added importance to field men when it is introduced personally.

John Durrell, Union Central Life, said his company has had fine success with new survey material because agents collaborated in its development.

Ray Hamill, Bankers Life of Iowa, told of the thorough promotion his company made of a new one-interview programming system that is being used effectively. Groundwork was laid during informal talks with four or five managers gathered at regional sales meetings. As the material was developed, view graph slides were used to demonstrate the technique of the new method.

Julian Leet, Northwestern Mutual Life, said his company primarily promotes sales material through meetings at each agency at least twice a year. From agency study groups a number of letters attesting to the successful use of point-of-sale material are received and they are used frequently in the company's magazine. He mentioned the advantage of publishing a catalogue of all sales promotion items annually to make it easier for the men in the field to order them from the home office. Northwestern Mutual's catalogue has definitely cut down on correspondence regarding what is available.

William Ellis, American Mutual Life, recommended packaging sales promotion material in an attractive folder with suggestions for its use on the back. An order blank for additional packets can also have the dual purpose of seeking constructive suggestions and testimonial letters from the field. By putting a key on the applications in the packets his company has another

check on how effectively the sales material is being used.

Edward H. Weiss, president of Weiss & Geller, Chicago, spoke at the luncheon on "Motivation Research." He stressed the importance of getting assistance from qualified, trained men outside the advertising business to determine the unexpressed desires and motivations of groups of people.

Richard S. Haggman, Kansas City Life, presided over the second business session. Gordon Nereim, vice-president and divisional sales director, Belnap & Thompson, Chicago, told why special incentive campaigns make sense. They break the monotony of telling the same old story and get the agent working for something besides money. Such campaigns focus effort on a specific objective, throw the spotlight on the reward so that all participants seek to be accepted as successful and look forward to the recognition.

Don Clark, Security Mutual Life of Nebraska, developed his topic "Never Underestimate the Incentive Power of Women" with examples of campaigns that were effective for his company. An annual contest "Honor Our Wives" runs for six weeks during which time a number of agents write more business than in a six-month period. "Security shares" are made out in the wife's name on which she pledges her help in the campaign and thereby starts the ball rolling with the first 200 points by returning the signed pledge. In the "Tel-a-Honey" contest a wife's name is picked each week and a call made from the home office asking

(CONTINUED ON PAGE 16)

Sale of Big Blocks Show Life Stocks Are Still Booming

Blyth & Co.'s San Francisco office has completed the sale of a block of 28,286 shares of California-Western States Life stock at \$96 that it acquired in February, 1954, at \$45 a share from Western & Southern Life after the latter company gave up its attempt to buy control of the California company. Western & Southern had offered \$45 a share to stockholders but acquired only the 28,286 shares. Blyth & Co. sold the stock largely to institutional investors on the Pacific Coast.

Another indication of the bullish state of the life company stock situation is the current quotation at mid-week of Beneficial Standard Life shares at 29½ bid 30¼ asked. The stock was syndicated by Lehman Brothers of New York. The 100,000 shares of \$10 par value stock were split 10 for one, with a new par of \$1, after which Lehman Brothers sold 480,000 shares to the public at \$25 a share. Demand for the stock is reported to be strong.

Samons, Press to Head N. Y. Guardian Agency

NEW YORK—Bernard Samons and A. Aaron Press have been appointed effective May 1, as managers of Guardian Life's New York city agency formerly headed by Julius M. Eisendrath, who was manager for Guardian for more than 25 years prior to his death in February. It will be known as the Samons-Press agency. Jack Windheim has been named associate manager.

President James A. McLain of

Guardian announced the appointment at a luncheon Monday attended by members of the agency, several home office officials and guests.

Mr. Samons entered life insurance in 1947 with the David Marks, Jr., agency of New England Mutual Life in New York city and has been serving as assistant to the general agent. He is on the New York City Life Supervisors Assn. executive committee.

Mr. Press, who is a CLU, entered life insurance in 1928 with John Hancock, went to Prudential in 1930 as assistant manager, and became brokerage supervisor of the Eisendrath agency in 1946.

Mr. Windheim joined Guardian in 1934 and has been production manager of the Eisendrath agency since 1947.

Changes in Allotting Legal Cases Noted in Report on Equitable

NEW YORK—The New York department's regular triennial examination report on Equitable Society notes the changes that have been made in the allocation of legal work to law firms in connection with the handling of privately placed loans. The previous report criticized the volume of such business handled by the New York city law firm of Milbank, Tweed, Hope & Hadley, with which Thomas I. Parkinson Jr., son of Equitable's former chairman and president, was connected.

The board of directors took steps to change this. Thus, in 1951 the Milbank, Tweed firm handled 75 cases involving aggregate loans of \$571,519,000 and received legal fees of \$398,250 but during the first half of 1954 it handled only six cases, involving \$22,415,000 in loans and received a total of \$37,000 in fees. During 1952 the firm handled 59 cases aggregating \$419,633,000 in loans and received \$212,925 in fees, while in 1953 it handled 36 cases for a total of \$261,007,000 in loans and received \$204,750 in fees.

Franklin March Sales of \$53 Million Set New High

Franklin Life established a single month production record in March with new sales of more than \$53 million. Issued business for the first quarter of 1955 exceeds \$125 million, a gain of more than 15%.

Assets recently passed the \$300 million mark.

Mutual Benefit Life Up 25% in Quarter

Mutual Benefit Life's first quarter sales totaled \$85,435,564, a 25% increase. Richard E. Pille, vice-president in charge of agencies, attributed the upsurge to generally favorable business conditions, the spending mood of the people, the public's increasing awareness of the need for insurance, greater competition among companies for business, and improved selecting and training of agents.

Midland Mutual Sales in March Up 43%; New High

Midland Mutual Life registered a record new business volume in March, paid for sales of \$3,893,772 representing a gain of 43%. It was almost \$500,000 more than the previous high for a single month.

Setting the pace were the H. O. Tice agency at Columbus, O., and the Sam Van Elgort agency at Beverly Hills, Cal.

United Ins. Co. of Chicago has obtained permission from the Illinois department to change its name to United of America.

HOLUA Sets Annual Card for May 16-18

The annual meeting of Home Office Life Underwriters Assn. will be held May 16-18 at Sheraton-Brock, hotel, Niagara Falls, Ont.

Vincent B. Coffin, senior vice-president of Connecticut Mutual Life, will address the opening session, which will include a business meeting and presidential address. Thomas K. Dodd, Connecticut Mutual Life, will preside. Harry F. Gundy, Sun Life of Canada, will conduct the afternoon session at which D. B. Semans, Lincoln National Life, will discuss some insurance hazards.

A panel discussion will be held on trends in large cases, business insurance problems, appropriate limits of insurance, examination requirements and double indemnity on large cases. Doane Arnold, New England Mutual Life, will be moderator and speakers will be C. S. Gillespie, Occidental Life, William H. Greenwood, Provident Mutual Life, Henry J. MacKenzie, Aetna Life, Barton S. Pauley, Prudential, and Bruce D. Shepherd, Berkshire Life.

Mr. Arnold will preside at the May 17 morning session when D. Rae MacLeod, Manufacturers Life of Canada, will report on a mortality investigation of Chinese and Japanese lives in Canada and the U. S. Ernest A. Carlson, Massachusetts Mutual Life, Charles H. Edwards, Guardian Life, William H. Harrison, Security Mutual Life, W. Allan Keltie, Great-West Life, and William H. Schmidt, Mutual of New York, will discuss guaranteed acceptance, review of substandard issues, development of new agents and new underwriters. John M. Huebner, Penn Mutual Life, will be moderator.

Francis E. Kavanaugh, John Hancock, will be chairman for an industrial underwriting session in the afternoon. James J. Diersing, Western & Southern Life, moderator, Wray M. Bell, London Life, J. Carroll Rhodes, Baltimore Life, and Millard D. Wheeler, Monumental Life, will act as an industrial quiz panel. Sitting as an industrial case clinic will be Clyde R. DeHaas, Equitable of D. C., moderator, George F. Vaeth, Sun Life, Russell L. Wagner, National Life & Accident, and Homer A. Gilber, Prudential.

The occupational committee, with Chairman Ernest A. Carlson, Massachusetts Mutual Life, presiding, will conduct the May 18 morning session. After the presidential greeting, Charles A. Will, Guardian Life, will speak on the hazards in the brewery industry. A 12-months' report on atomic energy will be given by Col. Reuel C. Stratton, Travelers.

Military underwriting talks will be given by Gaylord L. Paine, Connecticut Mutual Life, on U. S. coast guard academy, New London; Henry G. Harns, Acacia Mutual Life, U. S. naval academy; William Harrison, New York Life, U. S. military academy; David Cartwright, Minnesota Mutual Life, ROTC; and Paul Shea, Penn Mutual Life, U. S. air academy. The program will conclude with a film on use of nuclear reactors for research.

Robert J. Pratz, Equitable Society agent at Fort Scott, Kan., received the annual "Young Man of the Year" award presented by the Junior Chamber of Commerce there.

Rolla, Mo.—A new association was organized at a meeting here.

Manzelman Elected President at First Annual of Illinois State A&H Underwriters Assn.

By WILLIAM H. FALTYSEK
PEORIA—That the A&H business knows where it stands today and is undertaking its responsibility with an optimistic awareness was clearly brought out at the first annual meeting of Illinois State Assn. of A & H Underwriters here.

The report of the nominating committee was adopted as proposed and William G. Manzelman of North American Accident was elected president to succeed Roy E. Davis, Illinois Mutual Casualty, Peoria. Other officers elected were Irving G. Wessman, secretary Loyalty group, Chicago, 1st vice-president; Raymond M. Case, United Benefit Life, Springfield, 2nd vice-president, and Robert Hines, Mutual of Omaha, Rockford, secretary-treasurer.

James Ross, who brought greetings from the Illinois department, said it is obvious the public endorses A&H since this segment of the business has shown a greater increase than any other in the past few years. When the public knows the rules it will decide what is wanted and will not condone bad practices of any kind. "If you and others in the business forsake the high ideals and standards as represented by this association, the people will look elsewhere," he said. "The A&H business has awakened to its true responsibilities, but you must keep at it. Be enthusiastic but informed, or your success is limited."

E. A. McCord, president of Illinois Mutual Casualty also welcomed the A&H men.

Leonard A. McKinnon of the McKinnon-Mooney agency, Flint, Mich., president of International Assn. of A&H Underwriters, said in his travels as association president he has found the A&H agents, while aware of the growing importance of A&H, as a rule do not recognize their own economic power. The A&H salesman should feel he is one of the most important forces in the country, since the business is growing by leaps and bounds and those who sell it are a highly important segment of the economic set-up.

In discussing the place of the International and state and local A&H associations, Mr. McKinnon said the individual belonging to an association develops prestige immediately. He suggested learning the association's code of ethics and living by it and advised carrying a copy of the code at all times. "The public will know you have their interest at heart if they know about the code."

Mr. McKinnon discussed briefly the education, legislation and public relations facilities of the International association. He stressed the need for company cooperation and mentioned a committee which has been formed in Michigan which meets with the insurance department several times a year to discuss various problems. He suggested that this be done elsewhere.

Everybody in the A&H business is fighting the federal health reinsurance bill, he said, since once the federal government moves in anywhere along the line, it is the green light to go ahead. He warned, "Let no government official tell you we just want to lay a floor here." The damage is done then and the government moves in. "The A&H people can feel proud that since the time we have awakened to the dangers confronting us such tremen-

dous strides have been made. In 1940 a survey showed 60% of the public wanted compulsory A&H while today only 19% want this, evidence of the excellent job that is being done by the A&H people.

Charles H. Gilbert, Madison, Wis., agency manager for Woodmen Accident & Life, said there is "nothing to be afraid of in selling A&H and stressed the importance of cold canvass," since the best way to create new ideas for selling our product is by calling on people, because each and every one can and will ask different questions or give you a different reason why they do or do not need our product.

Four ingredients necessary for success he gave as forgetting self; appeal to the prospect; uncover need, and meet plenty of prospects. "Most of us are afraid of ourselves and when we get over this and impress on our subconscious an ambition-picture or goal,

nothing will stand in the way of success," he said.

"Never fear to try several methods at the start and you will soon find one that seems to fit with your own personality or that certain something that causes you to make sales. When you strike it, stay with it and do not be afraid to use it over and over. This may sound old to you, but remember it is new to your prospect."

Mr. Gilbert said it is amazing the number of people who have not purchased A&H insurance simply because they have not been approached. Prospects are all over—they simply are not recognized as prospects. "The only way you can see prospects where you never saw them before is simply by meeting people, all kinds of them. And seeing all kinds of people there will, of course, arise all kinds of objections. You really do not begin to sell until someone raises an objection. Don't be afraid of them. Since the beginning of time when anyone has tried to do something to help people to help themselves or do anything for the betterment of mankind, there have been ob-

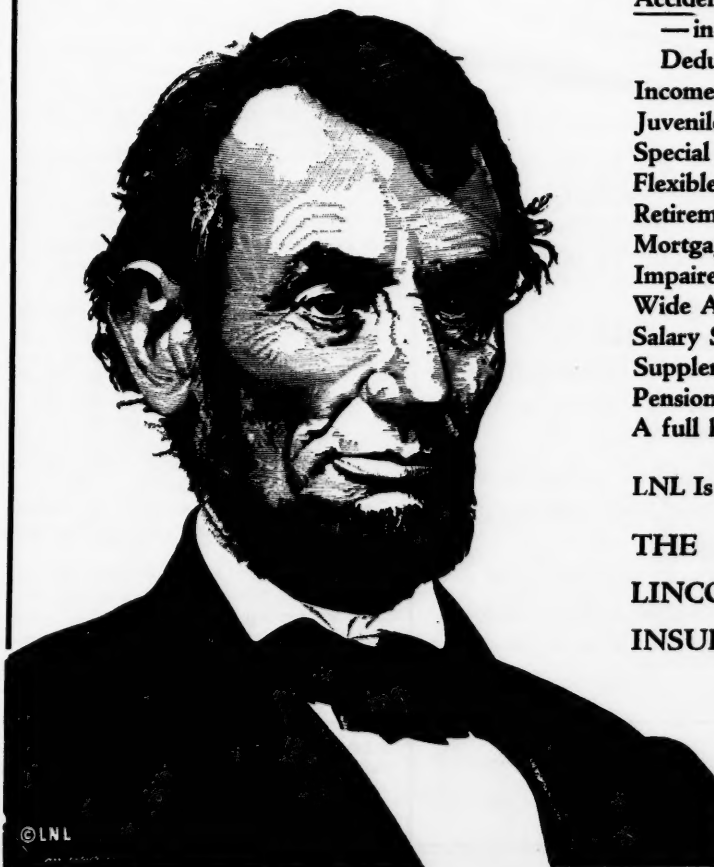
jections."

At the luncheon E. H. O'Connor, managing director of Insurance Economics Society, spoke on current legislation affecting A&H. He said while the goal of all these programs is desirable, the intrusion of the government can be seriously questioned. In the president's health message to Congress last January he pointed out a shortage of hospitals, clinic, nursing homes and other such facilities, Mr. O'Connor said. "Let us be sensible and recognize that short of Utopia there will never be enough of these facilities... A saner solution to these problems would be to have the government reduce its spending and its debt and thereby reduce taxes so that people themselves could take care of their own needs. This procedure would be the better way to avoid more statism, which is the major threat of our time."

Turning to the federal reinsurance bill, he said advocates of the plan appear to be impressed by the development of life, fire and other types of insurance which have used adequate

(CONTINUED ON PAGE 13)

BROAD INSURANCE COVERAGE



Nonparticipating Insurance
Participating Insurance
Accident & Sickness Insurance
—including Noncan, Commercial,
Deductible Hospital, and Major Medical
Income Disability
Juvenile Insurance
Special Low Cost Plans
Flexible Family Income Plans
Retirement Plans
Mortgage Redemption
Impaired Risk Service
Wide Age Range
Salary Savings Systems
Supplemental Term Riders
Pension Plans
A full line of Group Coverage

LNL Is Geared To Help Its Field men

THE
LINCOLN NATIONAL LIFE
INSURANCE COMPANY

Fort Wayne, Indiana

Its Name Indicates Its Character

50th ANNIVERSARY - 1955

© LNL

The Automatic Life Insurance Company— How Close to Becoming an Actuality?

BY JOHN L. LAWRENCE JR.

NEW YORK—How imminent is the "automatic life insurance factory" in which machines do everything from underwriting cases to reminding agents to see their prospects before age-change dates? So much progress is being made that any life insurance man who isn't right in the thick of it could well wonder how fast automation may be expected to take over, and to what extent.

So much is being done and so much more can be done, even if no more wonders should be unleashed, that probably the easiest way to appraise the prospects is to start with a hypothetical completely mechanized life insurance company and then indicate to what extent fantasy should be modified to square with the actual possibilities.

Hypothetical Life does everything by electronic data processing machines, or EDPM, which is becoming the generic

term for designating the high speed central calculators and their auxiliary equipment.

Our Hypothetical Life agent, after selling his prospect a policy, obtains information for the application by asking questions and marking the "yes" or "no" squares on a specially prepared card. The prospect signs the 8 by 10-inch application document.

The applicant then sees the medical examiner, who uses a similar card to record information and test results. If the applicant agrees to take a "lie detector" test, the medical examiner administers it and checks "true" or "false" squares as he watches the detector respond to medical and moral hazard questions put to the subject. (Hypothetical Life finds use of a lie detector to answer these questions obviates inspection expense. Therefore, the company can pass on a lower rate to the policyholder.)

If the applicant refuses to submit

to the lie detector an inspection report is made on a card similar to those used by the agent and medical examiner.

The cards are sent to the Hypothetical home office where they are "read"—including handwritten data—by the electronic data processing system. In accordance with previously programmed instructions, the machine proceeds to underwrite the case, approving or rejecting it, assigning a standard or substandard class, and determining the rate. The electronic system is instructed to throw out for human review any large risks or certain impairments or substandard classes. For example, the machine can be instructed to approve an applicant who admits he gets drunk once a month and reject him if he becomes tipsy twice a month. Human underwriters review borderline cases.

Automatic underwriting is probably a little less accurate in the general run of cases than human underwriting would be. Hypothetical Life, however, is willing to let a few more sour risks slip through because the large financial saving more than offsets it.

After underwriting the case, the EDPM writes the policy and records all the pertinent data. Necessary documents are emitted in printed form by a piece of auxiliary equipment. If the policy premium is paid in advance, this is noted on a record punched card or tape, rather than take up space in the system's storage area.

The machine is instructed to print a premium bill or reminder for the insured, a notice for the agent and Hypothetical's home office conservation department when the time nears for paying each renewal premium.

The insured forwards his personal check and the electronic machine, sensing the information written on it, makes a record of it, endorses it and sends it to the bank for deposit.

Later, the agent's commissions on this policy and others are computed, recorded and paid with company checks by the system. Other agents' statistics, like production records of the entire field force, are calculated and recorded to determine annual award winners, and the like. Dividend calculating, remittance accounting and posting are done, also.

Because of the system's great speed, mortality and medical statistics are compiled and recorded for the actuary's immediate use. Hypothetical Life has no difficulty in keeping its experience information right up to date.

If a policyholder wants to borrow against his policy, a loan application is made on a special card which is forwarded to the home office. It is "read" into the electronic apparatus. The machine makes a decision on the loan, checking the amount available, and other data, in accordance with stored instructions, by responding to the information which it receives in coded form so it can approve or reject the application.

Hypothetical Life increases its investment earnings by keeping an up-to-date record of its securities and other holdings. The machine is instructed to report daily on how much money is involved in all investments, and to signal the human investment department when certain holdings reach a predetermined volume or when questionable investments are involved.

When a claim is made, a card is filled out as was done when the policyholder applied for coverage. The system, acting on instructions, can approve the

claim. If it is a borderline or rejected claim, the case is thrown out for human review.

Does all this sound like science-fiction? (CONTINUED ON PAGE 12)

Mutual of N. Y. Names

A. I. Bonk at Fargo

Mutual of New York has appointed Albert I. Bonk manager of the Fargo agency, effective June 1. H. Folmer Hansen, Fargo manager since 1938, will return to personal production and will serve as an adviser in agency development with emphasis on recruiting, training and sales supervision. Mr. Bonk joined Mutual in 1938 at Fargo. After serving on the field training staff at the home office, he was appointed manager at Kansas City in 1949. He is a director of Kansas City General Agents & Managers Assn.

Mr. Hansen joined the company in 1925 at Omaha.

Philadelphia CLUs

Plan Spring Forum

Philadelphia CLU chapter will hold its annual spring forum on opportunities for tax economy through the use of life insurance and trusts May 3 at the Bellevue-Stratford hotel. John O. Todd, Northwestern Mutual, Chicago, will conduct the meeting. The forum committee chairman is William F. Lee, Penn Mutual.

W. M. Whitesell Retires

William M. Whitesell, vice-president of Mutual Benefit Life, has retired after 50 years with the company. He was appointed vice-president in charge of investments in 1949.

Mr. Whitesell retired from active duty last year but remained with the company as a consultant until now to round out 50 years of service.

Three Insurers Join ALC

Family Fund Life of Georgia, Old Republic Credit Life and Zurich Life have joined American Life Convention. This increases membership to 247 companies.

Nicholson Named to Agency Post

John W. Nicholson Jr. has been appointed agency supervisor of John Hancock Mutual Life at Jackson, Miss. Mr. Nicholson has been in the life insurance business since 1949 and is a charter member of Mississippi Estate Planning Council.

THE UNITY LIFE & ACCIDENT INSURANCE ASSOCIATION

Insures

The Whole Family

Unity agents are equipped to serve every need for personal insurance. Juvenile policies our specialty.

E. R. DEMING
President

L. J. BAYLEY
Secretary

HOME OFFICE — SYRACUSE, N. Y.

STATE MUTUAL LIFE
ASSURANCE COMPANY
of Worcester, Massachusetts
announces the addition of a new
**NON-CANCELLABLE
FAMILY HOSPITAL
EXPENSE PLAN**
to complete its portfolio of
Guaranteed Continuable
Sickness and Accident Policies

This new "family plan," especially designed to meet financial problems caused by hospital and surgical bills, also has the following features found in our other Sickness and Accident policies.

NON-CANCELLABLE

- Guaranteed continuable to age 65 • Participating
- Guaranteed level premium • 31 day grace period
- Incontestable after two years

We will gladly supply more detailed information about our S & A contracts to those who return this coupon.

To: State Mutual Life, 340 Main St., Worcester, Mass.
Please supply me with more NON-CAN S & A information.

Name
Street
City and State

Polio Vaccine Creator Wins C. C. Criss Award

Dr. Jonas E. Salk, creator of the Salk polio vaccine, has been named the 1955 recipient of the \$10,000 tax-exempt C. C. Criss award and gold medal given by Mutual Benefit H. & A.

Announcement of Dr. Salk's selection was made by Dr. Charles W. Mayo of the Mayo clinic, Rochester, Minn., who heads the 14-member board of judges.

The award, the largest of its kind in the United States, was established to honor outstanding contributions in the fields of health and/or safety by V. J. Skutt, president of Mutual Benefit, as a tribute to the late Dr. C. C. Criss, founder of the company, now the largest exclusive A&H insurer in the world. Residents of the U. S., Canada, Alaska, Hawaii, Puerto Rico and Canal Zone, where Mutual Benefit is licensed, are eligible for the award.

Dr. Mayo, in announcing Dr. Salk as the 1955 Criss award recipient, said: "The accomplishment of Dr. Salk may well be the greatest contribution to medicine in our generation." Dr. Salk was selected from a field of more than 400 nominees, he said.

W. Earl Hall, Mason City, Ia., *Globe-Gazette* editor and national safety authority, was the 1954 winner. Other award recipients have been Dr. Howard A. Rusk of New York City, for his work in rehabilitation of the physically handicapped and Drs. Philip S. Hench and Edward C. Kendall of the Mayo clinic, for their work in development and use of cortisone.

Members of the board of judges, in addition to Dr. Mayo, are: Ned Dearborn, president National Safety Council; Lt. Gen. (Retired) James H. Doolittle, vice-president Shell Oil Co.; Irene Dunne, actress; Henry Ford II, president, Ford Motor Co.; Dr. Elmer Hess, president-elect of American Medical Assn.; Duke P. Kahanasokou, high sheriff of Honolulu; William L. Laurence, science writer *New York Times*; Harold Lloyd, actor; Hon. Paul Martin, minister of national health and welfare for Canada; Don McNeill, radio personality; Dr. Thomas Parran, University of Pittsburgh; Dr. Leonard A. Scheele, surgeon general U. S. public health service and DeWitt Wallace, editor of *Reader's Digest*.

Servicemen's Indemnity Paid Monthly to 21,600

Servicemen's indemnity was paid monthly to beneficiaries of 21,600 servicemen and veterans not wholly covered by other government life insurance, according to the 1953 annual report of veterans administration. Maximum indemnity payable is \$10,000, which is reduced to the amount of government life in force at the time of death.

More than 6,188,000 policies were in force at the end of 1953, under the National Service life insurance program which began in 1940. More than 423,000 policies were in force at the end of 1953 under the U. S. Government life insurance program which began during the first world war. Nearly 3,000 veterans disabled during the Korean conflict were covered by one type of special NSLI, while 74,800 other Korean veterans held a special NSLI term policy.

The *Unterman* agency of Continental American in New York City held a luncheon to mark its moving into larger quarters at 185 Madison avenue.

Organize National Health, Welfare Fund Conference

National Conference of Health & Welfare Funds, Trustees & Administrators, organized at a meeting in Chicago last month, will hold its first national convention in Chicago the third week in October. A constitution will be presented at that meeting, open to representatives of any health and welfare plan.

Organization of the conference at Chicago represented the culmination of a year's work on the part of a group of persons who first met in Akron a year ago and in Detroit in January to discuss whether representatives of health and welfare plans could benefit from meeting together and discussing common problems.

Charter officers are Carl A. Clemmer, Akron, president; Harold T. Albright, Toledo, vice-president; S. J. Tesaro, Detroit, treasurer, and M. A. Cornell Jr., Los Angeles, secretary. Mr. Clemmer is a trustee and the others are administrators. In addition there is an executive board composed of three union trustees, two employer trustees and six administrators, drawn from six states.

Spokesmen for the conference emphasized it would not seek to formulate policy on questions ordinarily within the scope of trustees' responsibility. It is intended to be a research and study group through which an administrator or group of trustees can learn of methods being used by plans in other states to minimize cost, improve efficiency and resolve difficult problems such as reciprocity and delinquency. Membership may be held by an individual trustee or administrator or a plan may hold membership under its name and designate a representative. Membership dues are \$50 per year. The secretary's office is located at 412 West 6th street, Los Angeles, 14.

Great Southern Appoints Two Managers, Enters Ark.

Great Southern Life has entered Arkansas, naming Robert R. Shannon manager for the state with headquarters at Little Rock. Arkansas is the fifth state in which Great Southern operates and the first of several in which it plans to expand in the immediate future.

John F. Duke Jr. has been named manager at Wichita Falls, covering the 16 counties of north central Texas.

Mr. Shannon, who has eight years of life insurance sales experience, joined Great Southern at Fort Worth in 1950. About a year ago he was named assistant manager of the training division at the home office.

Mr. Duke succeeds Fred J. Stubbs Jr. who has been made agency assistant at the home office. With the company since 1952, Mr. Duke has been with the home office training division for about a year.

Elect Anderson President

Harry Anderson, Occidental of California, is the new president of A & H Producers Assn. of Los Angeles. Other officers are Jack Kosick, Washington National, 1st vice-president; Richard Dutweiler, National Casualty, 2nd vice-president, and Frances Sandidge, Paul Revere Life, secretary.

Managers in Cal. Hear Adams

James R. Adams, director of agencies for American National covering southeastern states and Washington, addressed meetings of San Francisco and Oakland General Agents & Managers

Assns. He spoke to the San Francisco group at a luncheon and the Oakland association had a dinner meeting.

Cancel FTC Hearings on Motions to Transfer

The hearing scheduled for April 14 on motions of counsel to transfer to the federal trade commission's bureau of industrial consultation cases instituted by FTC charging Life of America and Guarantee Reserve Life of Hammond, Ind., with false advertising of A&H policies has been cancelled. The motions were based on the

premise that before the institution of the commission's complaints the companies had participated in trade practice conference arrangements with the commission which resulted in promulgation of fair trade practice rules for the mail order insurance business and other factors.

Cancellation of the hearing was asked, pending introduction of evidence. FTC Examiner Laughlin indicated that the case may not be set before June.

Franklin Life's Chicago division, managed by F. J. Budinger, had March sales of \$2,669,929, a record.

try this hat for size!

That's what it boils down to when a new man joins the Capitol Life. Contracting with a new company is much the same as buying a new hat. You want your hat to fit well...to wear longer...and to fully meet your personal needs. That's why we at the Capitol Life have placed a lot of emphasis on our Agent Contracts.

Our objective was to develop contracts that fully meet the needs of each new man in terms of his experience, qualifications, and personal requirements...to develop contracts that not only "fit well and wear longer" but ones that will meet the real human needs of the Agent. We're proud to say we've reached our objective. You can find proof of this in the fact that more and more men are joining the Capitol Life each month. More and more men are finding out they can finally get many of the things they have a right to expect from the insurance business...with one of the West's fastest growing regional companies.

We think you'll like our philosophy of "finding the hat that fits." Capitol men do. Just ask any Capitol Life representative.

Agency and field underwriting opportunities available to men residing in the 14 Western States.



Capitol Life
INSURANCE COMPANY
DENVER, COLORADO

WRITE: Thomas F. Daly II, Vice President and Director of Agencies.

"He sells group insurance with B. E. U.!"

"What's B. E. U.?"



B. E. U. IS A SERVICE developed by Connecticut General for BETTER EMPLOYEE UNDERSTANDING of group insurance and pensions.

WITH THIS PLAN the Connecticut General representative can show a prospect how his group insurance investment will pay off... in improved employee relations and the maintenance of quality output.

THIS IS THE KIND of selling plus

that opens doors... gets contracts signed. Especially since it's backed up by a complete line of products, flexible planning and a reliable claim service.

IF YOU'D LIKE HELP on a group problem... whatever it is... just get in touch with your nearest Connecticut General Office. Or, write to Connecticut General Life Insurance Company, Hartford.

Connecticut General

GENERAL AGENTS WANTED

(Opportunities in Indiana, Illinois, Ohio and Kentucky)



Wolverine-Federal Tower

A 49 year old company, operating in 46 states, has opportunities for General Agents in the above states. The Company provides a wide variety of Life, Accident and Health, Hospital, Dread Disease and Automobile Accident protection covering individuals and groups.

PLUS

1. Home Office training schools
2. Direct mail action letters
3. Liberal contracts
4. Group hospital and life insurance for agents
5. Company conventions
6. Value packed sales kits

Supervision experience desired but not necessary.

For information write to Federal Life & Casualty Company, Wolverine-Federal Tower Bldg., Battle Creek, Michigan, Attention Mr. W. Evans.

D. C. Agents Fight Farm Bureau Sales Counter Plan

WASHINGTON—Insurance men here are aroused over the announcement of Farm Bureau Group of Ohio that is opening sales counters in three department stores of Hecht Co. in the area. Douglass Wallop Jr., president of District of Columbia Assn. of Insurance Agents, has appointed a special committee to study what action should be taken about the matter. The problems involved were discussed at a meeting of the association's trustees.

C. Carney Smith, president of District of Columbia Life Underwriters Assn., indicated the matter will be taken up at a directors meeting April 21. Officials of domestic life companies here also are looking into the matter.

The agents' committee, C. R. Barker Jr., Charles M. Saxelby, Herbert M. Pasewalk, Walter Schilling and Mr. Wallop, is planning to ask the life agents' association to cooperate in a joint action and to get legal advice concerning proposed action.

Insurance Superintendent Jordan has stated that the Farm Bureau program is legal and that no action can or

WASHINGTON—As a result of protests from insurance men in this area, it is understood assurances have been given that Hecht Co. will cancel before long its arrangement with Farm Bureau of Ohio to permit over the counter sale of insurance at leased space in three Hecht department stores in this area.

These assurances were received from Hecht officials at a conference participated in by Douglass Wallop Jr., president District of Columbia Assn. of Insurance Agents; Charles Barker, chairman of a special committee of that organization named to deal with problems involved, and John F. McLaughlin Jr., of McLaughlin & Co. agency.

The Hecht people expressed surprise at the unfavorable reception given the Farm Bureau project by members of the insurance industry and stated they had no wish to offend any friends of the department store corporation. The agents reported the attitude of Hecht Co. as "most cooperative."

The agent committee has taken steps to secure cooperation of D.C. Life Underwriters Assn. and D.C. Life General Agents & Managers Assn. in plans to fight the Hecht-Farm Bureau project, if necessary.

should be taken against Hecht Co. since it merely rents space to the company and is not involved in the insurance transaction.

Mr. Smith is planning to recommend company and individual action to the board of the life agents' group. He said the Farm Bureau-Hecht program "violates the professional concept, lowers the prestige of life insurance, eliminates agent counseling of prospects, and puts the life business on an order-taking basis."

William J. Haggerty, Occidental Life agent, and past president of the district's general agents and managers association, says the plan and its advertising is "disturbing," and added "insurance is not merchandise. The plan does not conform to accepted standards of operation". He also indicated he would write Hecht Co. about his feelings and believes other agents should also do so.

Concern is expressed among agents

about terms of the arrangement between the insurer and the stores. Advertisements indicate that telephone calls to Farm Bureau sales counters will be handled through the Hecht switchboards, giving the impression that Hecht Co. sponsors Farm Bureau. They also say they wonder if Hecht Co. will receive, in addition to a stipulated rent, a percentage on insurance sales over a certain amount, and if Hecht Co. will bill Farm Bureau premiums on its charge accounts, and collect premiums and receive commissions.

A spokesman for the district insurance department said that there is not supposed to be any connection between Hecht Co. and Farm Bureau other than the relationship between landlord and tenant; that Hecht's is not in the insurance business, is unlicensed, cannot bill for premiums or collect them, receive a commission or otherwise act as insurance participant with Farm Bureau, except that it could buy a policy from the insurer.

William Tooker, president of Life Insurance General Agent & Managers Assn. of the district, called the matter to the attention of the group's directors, while Charles M. Saxelby, general agent of Maryland Casualty, wrote the following letter to Hecht Co:

"Your announcement in yesterday's Washington Post soliciting automobile, fire, life insurance for Farm Bureau Mutual Companies places you in competition with every insurance agent and company doing business in this area. My family has had a charge account with you for 25 years or more but I am putting a stop to any further purchases at any of your stores and you may cancel the account. I am also taking up the matter with the District of Columbia Assn. of Insurance Agents and the Life Underwriters Assn. for appropriate action.

"If you will refer to the telephone directory you will find 14 pages of insurance agents and companies. Each of these employ from one or two to 100 or more persons. Every premium dollar that you attract to the mutuals makes one merchandising dollar less that might be spent in your stores. How short-sighted can you get?"

A&S Claim Payments Hit \$1,165,602,000 in 1954

Total A&S claim payments by life companies in 1954 was \$1,165,602,000, compared to \$1,053,509,000 in 1953, reported Institute of Life Insurance.

February payments were \$103,699,000, bringing to \$204,963,000 total payments for the first two months of the year. Last year, February payments were \$88,266,000 and the two-month figure was \$170,423,000.

These payments are benefits paid by life companies, under A&S policies and do not include payments by casualty companies, Blue Cross, special funds, and disability provisions of life policies.

Life companies developed A&S coverage in the 1940's, after large scale group A&S insurance was launched in the late 1930's. By the start of last year, life companies covered an estimated 30 million persons under group A&S policies, said the institute in pointing to the three-fold rise in claim payments in the past five years.

N. Y. Supervisors Outing June 21

New York City Life Supervisors Assn. will hold its annual outing June 21 at Tamarack Country club, Greenwich, Conn. The agenda will include golf, swimming, a softball game between teams of uptown and downtown members, cocktails and dinner.

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Continental Makes 12 Appointments in Agency Department

Continental Assurance has made 12 appointments as part of a program to definitize home office agency department organization.

Robert B. Hamor and John T. Grant have been named superintendents of agencies for the midwestern and Pacific Coast departments, respectively. Albert B. Morrison has been named superintendent of agencies for the eastern department under the direction of Harlow G. Brown, vice-president.

In the home office, Paul C. Green has been named as superintendent of agencies responsible for new business development, which includes advertising, field services, planning for agency conferences and agency research and analysis. Marshall B. Simms has been appointed superintendent of agencies with the responsibility for all aspects of home office agency administration.

Robert L. Fontaine, formerly director of publicity, has been named to the new position of director of advertising, responsible for general and trade press advertising, publications and sales promotion.

Charles W. Kraemer, formerly assistant superintendent of agencies, field service division, has been named to the new post of director of field services, responsible for sales training and education, preparation of sales material and miscellaneous agency services.

Named as assistant superintendent of agencies are Huston Leonard, Pacific Coast department, William H. Day and Edward N. Malaney, eastern department, formerly agency supervisors.

Earl G. Cleal, formerly superintendent of agency accounting, has been made agency secretary responsible for liaison with all operating departments.

BBB Cites Misuse of Insurance by Outsiders

Another example of how the name of insurance can be hurt by promoters appears in the current issue of the San Antonio Better Business Bureau's bulletin, "Rackets". The article, titled loan insurance, quoted from the March 17 San Antonio Express and then commented:

"Six loan firms in the San Antonio area were warned Wednesday to drop insurance stipulations from their loan contracts with service personnel of the army or be placed off limits.

"The armed services disciplinary board of southwest Texas slapped that decision on the firms at the end of a day-long meeting at Fort Sam Houston. The loans took up most of the discussion, at which military and civilian agencies were represented.

"Placing the firms off limits blocks business with armed services personnel". (From the San Antonio Express, March 17, 1955)

"The usury rate of the state of Texas at the present time is 10% per annum, but the loan firms knowing that they cannot exist at this rate, decided to let the borrower take out an insurance policy with the majority of the premiums paid returned to the loan company by the insurance company.

"To give you an idea as to how the interest on loans is pyramided by the use of insurance, let's look at a \$20 loan for 30 days. A breakdown shows life insurance \$1; total disability \$2.15; hospital confinement 43 cents, and policy fee of 50 cents, or total insurance premium of \$4.08. The interest on the \$20 amounts to only 20 cents with a

service charge of 32 cents, or total charges of \$4.60 on \$20. Percentage-wise, this figures the rate per annum for this loan to be 276%.

"The board, at their meeting, took the view that service personnel was pretty well covered by the military for insurance and hospital benefits, so why should they be forced to purchase these policies which were of no benefit to them.

"It is hoped that the meeting of the legislature in Austin will produce something to regulate the same problem the military took upon themselves to correct."

Polio Cover Needed Until Vaccine Is Widely Distributed

The Salk vaccine for polio can't be given to 160 million Americans all at one time, so there is still an necessity for polio insurance. This is the opinion of Michael Levy, New York city broker who has specialized in polio insurance, especially for children's summer camps, for several years.

Until the distribution of the vaccine is so wide as to make the danger of the disease so rare that even a minor case is a novelty polio insurance will still be practical, he believes.

Progressive insurers, which are considering lowering premiums on polio cover, will probably switch the policies to cover other dread diseases, he said.

Mr. Levy represents Continental Casualty, the company that publicized polio coverage, and at present he has 5,000 to 6,000 polio policies on camps, and about 700 tuition refund and medical reimbursement policies for camps.

People are dropping the insurance, he said, but he is advising his clients to hang on to it until the vaccine has been distributed more widely and in a wider age group than can be possible this year.

John Hancock has reduced its premium rates for group poliomyelitis coverage by as much as 30% since the reports of the results of the tests. The action was based on the success of the vaccine and the improved experience in current losses. At least in part, Clarence W. Wyatt, vice-president in charge of the group department, said this improved claim experience resulted from the test inoculations. Further action will depend on the official reports of the studies, he said.

Manufacturers in D. C.

Manufacturers Life has opened an office in Washington, D. C., in the Continental building at 1012 14th street, N. W. Jack F. Crofoot, formerly



Jack F. Crofoot Percy W. Schall Jr.

manager at Baltimore, has been transferred to the new office as manager and Percy W. Schall Jr. is succeeding him at Baltimore.

Mr. Crofoot has been with the company since 1946. Mr. Schall has been in insurance eight years. He is vice-president of Baltimore Life Underwriters Assn.

Opens Green Bay Agency

Prudential has opened a new ordinary agency at 308 Cherry street,

Green Bay, Wis., with Thoralf A. Hegland as manager. The new office will serve northeastern Wisconsin and upper Michigan and supplements the district office at Green Bay, headed by Roy Bealing.

Mr. Hegland has been a training consultant in the north central home office at Minneapolis.

Form New Ala. Life Insurer

John Marshall Life has been organized at Birmingham, Ala., with headquarters in the Brownell building. President of the legal reserve life company is L. L. Griffin, who has 18 years of life insurance experience.

L. Q. Head is secretary and Blanton, Rintye, Stribling & Verlander of Atlanta will serve as consulting actuaries.

LIAMA Slates Separate

A & S Parley for 1956

LIAMA's A&S committee has decided to hold a separate meeting April 9-11 next year at the Edgewater Beach hotel, Chicago. The committee has been holding a joint meeting with the agency management conference. The agency management meeting will be March 12-14 at the same hotel.

DO YOU HAVE A CLIENT WHO NEEDS

\$100,000

MORE LIFE INSURANCE?

(But thinks he can't afford it)

Just show him our non-participating Guaranteed Cost Annual renewable term.

For \$100,000

Age	Annual Premium
30	\$ 629
35	691
40	829
45	1,065

Also, non-participating Selected Risk Ordinary Life.

For \$100,000

Age of Issue	Annual Premium
30	\$1,705
35	2,020
40	2,441
45	2,987



A simple and complete Selected Risk Ordinary Life sales folder with rates, cash values, and a triple-duty sales track and proposal can be yours for the asking.

These policies are a special addition to our complete line of participating life plans.

"Providing sound coverage at reasonable cost through competent representatives"



Interested? We'll be glad to send you complete information and sales material. Just fill in coupon.

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ASSOCIATE

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THE BOURSE PHILADELPHIA

Ia. Legislature Passes Fair Trade Bill

DES MOINES—The Iowa legislature has completed action on a number of bills including one setting up an unfair trade practices act for insurance. The bill now goes to the governor. It includes misrepresentations and false advertising of policy contracts; false information and advertising generally; defamation; boycott, coercion and intimidation; false financial statements; stock operations and advisory board contracts; and unfair discrimination or rebates.

The commissioner is given authority to examine and investigate the affairs of every person engaged in the business, hold hearings, subpoena witnesses, and to issue cease and desist orders with injunction proceedings and a judicial review.

The legislature also completed action on a bill to permit companies selling medical and surgical insurance to sell dental insurance; and another bill to permit the sale of group insurance to cover a debtor.

Both houses also passed and sent to the governor a bill increasing the pay of state insurance examiners to \$190 a week for those working out of state and \$150 a week for those working within the state.

Newhouse & Hawley

Enter Life, A&S at Chicago

Newhouse & Hawley, representatives of London Lloyds, have expanded their activities to include a life A&S department. It represents Union Mutual Life as managers in Cook and Lake counties, Illinois.

The new department will be titled L. F. Hawley Agency and will be managed by M. E. Farris, vice-president and general manager. Its offices will be in the Bankers building, 105 West Adams street, Chicago.

Mr. Farris has been regional manager of Central Standard Life at the home office for two years. Previously he was manager at Chicago of American National.



M. E. Farris

Life Men Urge Premium Tax for Blue Cross

Philip J. Foster, Mutual Benefit Life, Dover, legislative committee chairman of New Hampshire Life Underwriters Assn., spoke in favor of a bill that would extend the 2% premium tax to fraternal and non-profit insurance organizations at a house insurance committee hearing.

He said it would be only fair to tax the non-profit and fraternal groups because they are in competition with the commercial companies, who pay the premium tax. Wendell F. Grant, general agent of Aetna Life at Concord, and Gordon F. Burns, manager of Connecticut General Life at Manchester, also spoke for the bill.

Forty-five representatives of labor unions, the medical profession, hospitals and fraternal groups opposed the bill. Attorney Ernest D'Amours, Manchester, representing ACA fraternal, said Tennessee is the only state which taxes non-profit insurance plans. He said the latter do not compete with commercial companies but are important to the welfare of those they serve.

The committee took the measure under advisement.

New England GAMC to Discuss Competition

The theme of New England General Agents & Managers Conference at Swampscott, Mass., April 29-30, will be the challenge to management in a competitive market.

Key speakers on the first afternoon will be Eugene M. Thore, general counsel Life Insurance Assn. of America; Holgar J. Johnson, president of Institute of Life Insurance; and Dudley Dowell, executive vice-president of New York Life. O. Kelley Anderson, president of New England Mutual, will open the conference after an informal luncheon.

A panel discussion on managing an agency in 1955 will be conducted by Robert W. Boas, John Hancock, West Roxbury, Mass., with Laurens F. Bruno, Equitable Society, as moderator. Panelists will be Don H. Stimpson, New York Life; Leslie R. York, Aetna Life; William H. Gilbert Jr., Connecticut General; George A. Gallagher, Metropolitan; Leonard Smith, Prudential; and Edward H. Duffy, John Hancock.

Lewis W. S. Chapman, director of company relations LIAMA, will summarize the program and point out ways of meeting the present challenge to management in a competitive market.

N. E. Mutual to Set up Agents' 'Hall of Fame'

New England Mutual Life will include an agents' "hall of fame" in new agency department quarters being constructed at the home office in Boston. A gallery of pictures of all full-time agents who have written \$1 million of new business in a year's time will be placed in the reception area.

Seventy-six men are qualified for inclusion in the gallery, a majority of whom have met the requirements several times. Top man in total business placed with the company is Henry C. Stockman, Newark, with \$28,226,820. David Marks Jr., New York City, has produced \$1 million a year for 12 years. Vice-president Lambert M. Huppeler presented silver trays to 50 qualifiers at a leaders' association meeting.

● The O. F. Helvie agency of Lincoln National Life at South Bend is building a two-story office at 622 North Michigan, to be ready for occupancy Sept. 1. The structure will cost between \$75,000 and \$100,000.



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U. S. Life Unveils New A&H Contracts at Fla. Convention

Raymond H. Belknap, president of U. S. Life, predicted at the agency convention in Palm Beach that 1955 will be a good year for insurance if it is made attractive enough for people to buy after paying for food, clothing and taxes.



R. H. Belknap

J. Francis Welch, vice-president in charge of A&H, announced a guaranteed renewable at age 65 contract. New plans will provide two, five and 10-year limits for sickness and lifetime benefits for accident. The policy, with incontestability and waiver of premium features, will be non-conflicting for injury and sickness up to 24 months. Dennis Hardcastle, director of sales, outlined planned promotion activities of the A&H program.

George M. Selser, vice-president and secretary, told what the home office is doing to improve service, public relations and policies. Maynard G. Shearer, director of agencies, said his department is interested in training and providing information for agents.

Fred O. Becher Jr., vice-president in charge of the group department, reported 50% more agencies wrote group last year, with the volume exceeding \$165 million. The company will continue renewal commissions after the 10th year to protect the business and persistency, he said.

John Weaver, executive vice-president, said production opportunities lie in the new guaranteed renewable at 65 and major medical expense policies, reduction of preferred whole life minimum from \$10,000 to \$5,000 plus extension of the centennial income rider.

Chairman Roy Tuichbreiter, Saul Lesser, assistant counsel, Ernest Roth, \$1 million producer in New York City, Don Iles, A&H agency supervisor, Warren V. Smith, regional manager, James N. Mazzeo, director of group sales and service, John E. Sheehan, chief underwriter, Armand Sommer, vice-president of Continental Cos., Paul M. Anderson, a director of U. S. Life, Emanuel Dash, general agent in New York City, and Scott B. Brainard, president of Brainard & Black in Hawaii, also spoke. Annual production awards were presented at the main banquet.

Philadelphia Life Agents Oppose 10-Life Group Bill

Philadelphia Assn. of Life Underwriters has adopted a resolution opposing a reduction from 25 to 10 in the minimum number of lives required of group insurance. A bill introduced in the legislature would make the lower lives limit permissible.

The association has asked other local associations, the state association and NALU to join in an effort to oppose 10-life group insurance. The association contends the proposed law would lend itself readily to abuses, such as disproportionate coverages on executive and otherwise favored employee groups, thereby "circumventing the wise provision which precludes personal selection by an employer." Too often group insurance is accepted by an employee as a substitute for individually written

and serviced life insurance that better meets his needs and wants, the association stated.

Name Panels of LIAMA Combination Rally

Panelists have been chosen for the combination companies conference of LIAMA to be held April 25-27 at Virginia Beach, Va. The subjects to be discussed, the moderators, and panelists are:

Improving manpower—R. E. Fort Jr., Vice-president National L&A; W. W. Cherry, assistant vice-president American National; H. F. Monley, associate director of field training Prudential; B. P. Shields, manpower development manager National L&A; and R. K. Zelle, assistant vice-president Missouri Ins. Co.

Supervision—F. I. Wunderlick, vice-president and superintendent of agencies Baltimore Life; W. W. Hartshorn, superintendent of agencies Metropolitan; C. H. Kendall, vice-president Washington National; W. S. Owen, agency vice-president, Life of Georgia; and W. W. White, secretary Peoples Life of Washington, D. C.

Business management—W. H. Saitta, vice-president Peninsular Life; W. S. Cox, agency director and assistant secretary Home State Life; J. J. Diamond, assistant vice-president Home Life; M. D. Miller, assistant agency vice-president Gulf Life; and R. J. Morris, vice-president and agency director British-American.

Sales management—G. S. Woolsey, assistant superintendent of agencies London Life; G. F. Albright, assistant vice-president Life of Virginia; L. A. Brewer Jr., manager of agencies Equitable of Washington, D. C.; C. F. Byron, agency supervisor London Life; and D. J. Haywood, director of agencies John Hancock.

In addition to the panels, three LIAMA staff men, Donald Bramley and Stanford Y. Smith, consultants, and L. W. Ferguson, research associate, will give brief reports. Eldon Stevenson Jr., president of National L. & A., will deliver the opening address and C. J. Zimmerman, LIAMA managing director, will close the meeting.

Equitable Society Names 4 in Group Department

Equitable Society has appointed Harry Danziger assistant director of group annuities of the uptown division of the greater New York department, George W. Johnson associate superintendent of the group department and Harry A. Cuthbertson and John W. Minton assistant superintendents of the group department.

Mr. Danziger joined the company's bureau of statistics in 1929 and was appointed service supervisor of the group statistical division in 1929 and named assistant superintendent in 1949. Mr. Cuthbertson joined the company in the auditor's department in 1919 and has been in the group department since 1946. Mr. Minton joined the company in 1942 in the home office administration department and has been in the group department since 1946.

Western Managers' Rally Is May 2

"Be Alive in '55" will be the theme for the western area conference to be held at Pasadena May 26, with Los Angeles Life Managers Assn. as the host.

Lloyd Lafot, New York Life, and Laurel E. Miller, Sun Life of Canada, are handling arrangements. Associations throughout California, Arizona and Nevada will participate in the event which will feature all aspects of the manager's work.

Mass Mutual Ordinary Sales Set New Record

Massachusetts Mutual Life's ordinary sales totaled \$54,531,352 in the first quarter, setting a new company record and exceeding last year's figure by 30%.

January production hit a new high for a single month, and March was second best month. Total new sales in the quarter were \$188,685,490. President Leland J. Kalmbach predicted ordinary life production will break all records in 1955 and that, from the standpoint

of financial results and volume of new business, it will be the best year in company history.

• A & H Underwriters of Milwaukee at the April meeting heard a talk by Frank E. Thomas, A&H consultant with Prudential's north central home office in Minneapolis.

The See, Fette & Stitch agency of New England Mutual Life at St. Louis is opening a second office at Bon Homme and Central avenues in suburban Clayton.

1955 Sectionals



to be held during April and May at Del Monte Lodge, the Broadmoor, and Skytop Lodge, will witness the biennial sectional reunions of the Company's Career Life Underwriters . . . real opportunities for serious instruction, constructive review and rare good fellowship.

KEYED FOR
CAREER LIFE
UNDERWRITERS

FOUNDED IN
1867 IN
DES MOINES

EQUITABLE LIFE INSURANCE

COMPANY OF IOWA

COMPLETE PROTECTION

Agency Franchises Available

JEFFERSON NATIONAL

Life Insurance Company

INDIANAPOLIS, INDIANA

ACCIDENT & HEALTH
HOSPITALIZATION
SPECIAL LIFE POLICIES

EDITORIAL COMMENT

For Agents Who Know Which Way Is Up

Here's the *real* way to find out about a prospective agent's personality: just turn him upside down and see how he reacts.

Psychologist H. A. Witkin of the New York State university's college of medicine in Brooklyn has been tipping people upside down for 13 years and he thinks that reactions reveal significant facts about personality traits.

How does it work? It's very simple. Mr. Witkin has his subject sit on a chair that can be tipped by electric motors to any angle. The chair is in a box fixed up to look like a small room. The room also can be turned every which way, including upside down. Mr. Witkin masks the subject, tips the room and/or chair, then takes off the mask and asks the bewildered subject whether he is sitting vertical, whether the room is vertical, and if he is out of plumb how far he should be moved to be set straight.

From the answers Mr. Witkin can tell whether the person being tested depends for his orientation on what he sees or on the effect of gravity on his body.

Here is the significance of all this: the person who depends on his body alone for orientation is likely to be one who deals actively with his en-

vironment. Those who depend on what they see to tell which way they are pointing are likely to be passive. Other psychological tests tend to confirm this.

So if you have an agent candidate, just give him the tilt test. If he knows "by the seat of his pants" whether he's sitting upright or not then he's your man. He's the direct action type of fellow who can be expected to get out and sell even though he may not care much about learning the fine points of salesmanship or the principles of life insurance. But the fellow who doesn't know where he's at except by looking at his surroundings will stay in the office shuffling prospect cards, writing letters, looking up information, and in general doing everything except getting out where the customer is.

Of all the personality tests we have ever heard of, this is certainly the most picturesque. Actually, thus far it hasn't been tried on prospective salesmen—just "normal" college students, alcoholics, children, and psychiatric patients. But, who knows? Perhaps we are on the verge of a great new discovery in predicting the success of salesmen. Turning people upside down is weirder than the most outlandish tests thus far tried—but not much. So don't say we didn't warn you of what may be in store.

Not the Contract, but Consideration

Careless and indifferent selling and claim handling have brought far more ill will to the A&S business than all of the restricted contracts and typographical setup of these contracts put together. Even the restricted contract, if it is sold carefully and conscientiously and is followed by prompt and considerate claim handling, does not leave half as bad a taste as the most liberally written contract, printed in the largest type, that is sold without sufficient explanation and with claim handling (not payment) that makes the buyer wonder why he ever succumbed to the salesman's story.

The very nature of A&S insurance calls for some policy restriction. The typographical presentation of the policy contract on paper is not the real source of public irritation. It is the interpretation of the contract by those who sell it and by those who settle it that paints the picture the policyholder gets.

Unquestionably it is true that to-

day most selling has vastly improved over selling a generation ago. The same may be said for claim settlements. However, whereas a generation ago a relatively small proportion of the population had any direct interest in A&S insurance, today the vast majority of the people have an intimate personal interest. Therefore, the kind of picture the public gets from action, not contracts, is far more significant for the business today.

A current source of irritation in the business is the application of mass methods of handling inquiries and claims. When a policyholder has a loss and finds that to generate action he must himself take most of the initiative in getting rapid settlement; when all he receives are form letters showing not the slightest personal interest in the case, form letters handled by clerical help apparently interested chiefly in moving papers across a desk; when reports sent in by the policyholder have not been read or considered; when in-

formation furnished once is requested over and over again, when all these things occur the policyholder is not being irked by his A&S contract or by the kind of print used in presenting it. He is irked because in a very personal matter, one in which quick, personal and considerate action is expected, he finds that only his own constant prodding gets a response. It is no doubt true that these cases are the exceptions but when at least one-third of the population may be claimants the exceptions accumulate and create a very serious problem.

The public response to the A&S business is in the hands of people, who make contact with buyers. It is an old but still a true saying that when contracts are substantially equal, the important thing to know is who is doing the selling and who is doing the claim adjusting.

PERSONALS

Orval A. Hosch and Edward L. Roederer have been appointed managers of Phoenix Mutual Life agencies in New York City and Oklahoma City, respec-



Orval A. Hosch



Edward L. Roederer

tively. Mr. Hosch joined the company as agent in Milwaukee in 1950 and was advanced to field manager at the home office in 1952. Mr. Roederer joined the company in 1952 and has been a field manager at the home office since 1954.

Russell S. Moore, manager of agencies for Midland Mutual Life, discussed insurance employment opportunities before some 600 students at Otterbein college, Westerville, O.

Horace W. Brower, president of Occidental Life of California, has been reelected chairman of Los Angeles Better Business Bureau.

Horace R. Smith, superintendent of agencies of Connecticut Mutual, has been named chairman of the Greater Hartford Mental Health Fund drive, which runs May 9-23.

Lantz L. Mackey, an independent producer at Detroit, has been elected to the council of neighboring

Lathrop Village and appointed mayor pro tem. He is a past president for Detroit Life Underwriters Assn. and the CLU chapter.

DEATHS

A. E. HAMMOND, 62, head correspondent for Kansas City Life, and his wife, Mrs. Bernice Hammond, 55, were killed when their auto overturned after skidding on a highway about six miles west of Wamego, Kan. Mr. Hammond had been with the company for more than 30 years.

ERNEST J. HEMSTREET, 70, formerly with Prudential for 50 years, died in General hospital at Bay City, Mich. His ill-health had forced his retirement recently.

WILLIAM PETERSKY, 62, retired general agent for Northwestern Life of Washington, died in Seattle hospital of a heart attack. He was with the company from 1937 until 1952 and formerly operated a general agency at Olympia, Wash.

ROE A. DAWSON, 80, an agent for New England Mutual Life at Louisville for more than 50 years, died at his home there. He was honored by the company last October as its oldest agent in point of service.

WILLIAM T. HOOLEY, 62, assistant manager for 23 years of Metropolitan Life at Tonawanda, N. Y., and with the company for 25 years, died.

HENRY W. TRYLOFF, who had been with Sun Life of Canada for more than 47 years and was one of the company's leading producers in the United States for many years prior to his retirement in 1943, died at his home in Mt. Clemens, Mich.

JACK M. ROBBINS, 44, assistant manager Metropolitan Life, Chicago, died there in Mount Sinai hospital. He had been with the company 19 years.

National L. & A. Eastern Managers Meet in Ohio

CINCINNATI—Managers from National Life & Accident's eastern division met here to discuss company plans and objectives. Representatives from the home office included Eldon Stevenson Jr., president J. E. Wills, executive vice-president; C. R. Clements Jr., and R. E. Fort Jr., vice-presidents, and Powell Stamper, assistant vice-president. Territorial meetings were held with the various territorial managers in charge.

Crane Made Mo. Agents Secretary

Forrest F. Crane, district manager at Columbia for Massachusetts Mutual Life, has been appointed secretary-treasurer of Missouri Assn. of Life Underwriters.

NATIONAL UNDERWRITER

—Life Insurance Edition
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'54 Death Rate Among Policyholders Drops; Second Lowest Year

The 1954 death rate among 80 million ordinary life policyholders in the U. S. was 607.7 per 100,000, compared to 621.4 in 1953 and 766.5 of 10 years ago. Last year's rate was bettered only in 1950 when it was 605.8, reported Institute of Life Insurance.

The death rate due to tuberculosis was 3.7 in 1954, compared to 4.2 the year before and 18.5 a decade ago. At the turn of the century, the TB death rate was 17 times what it is now and was the leading cause of death in the nation. Dr. Louis I. Dublin, statistician and health and welfare consultant of the institute, cited increasing control over the years as reason for the declining rate.

Influenza and pneumonia death rate combined was 10.9 per 100,000 last year, compared to 12.8 in 1953 and 31.1 in 1944. Diseases of the heart death rate was 346.4, down from 355.2 in 1953, but still higher than 330.6 in 1944.

Accidental deaths showed a 38.3 death rate last year, down from 40.3 in 1953 and 53.5 in 1944. Cancer was the only chief cause of death to show a slight increase.

Coal Operators Casualty Sold; New Officers to Be Elected at Chicago May 25

Holders of a majority of stock of Coal Operators Casualty of Greensburg, Pa., have accepted an offer to purchase the company made by a group of persons headed by James H. Jarrell, president of Old Republic Credit Life, and W. R. Stover, vice-president of Old Republic Credit.

A meeting of stockholders has been scheduled at Chicago for March 25 at which officers and directors will be elected and a new name selected for the company. It is understood the price paid per share was \$20, which compares with a book value of approximately \$15.

The purchasing group intends to diversify the operations of Coal Operators Casualty to all fire and casualty lines. Present company operations will continue under the current management headed by W. J. Stiteler Jr., president, with some additions, while the new lines of insurance will be under the direction of new officers.

A specialty company serving the coal industry, more than 80% of Coal Operators business in 1954 was workmen's compensation, this line accounting for \$4,679,000 of total earned premiums of \$5,787,682. Incurred losses last year were \$3,439,525. Assets at year-end amounted to \$8,792,124, loss reserve was \$4,859,058 and surplus \$1,562,314.

Hutchinson Named N. Y. Life Medical Director

New York Life has promoted Dr. John J. Hutchinson from associate medical director to medical director and Dr. Louis J. Emanuele to assistant medical director.

Everett L. Dunbar and Harry A. Mueller were appointed associate underwriters in the group department. Robert V. Lott was named associate underwriter, and John D. McCormick and Denis Murphy were made assistant underwriters. Hollis H. Coleridge, John C. Fraser, Edward J. Wendt and Walter Shur were promoted to actuarial assistants.

Hancock Hangs Lantern Aloft

Flashing red lights in the tower of John Hancock's home office and a lantern in the belfry of Old North

Church signaled a group of modern "minutemen," 72 newswriters and editors from all parts of the country, on their way from downtown Boston to Lexington in a reenactment of the historic midnight ride of Paul Revere on April 19, 1775.

Jefferson National Has New A&H, Major Medical Forms

Jefferson National Life has introduced a non-cancellable, guaranteed renewable A&H policy and a major medical expense contract. The A&H form may be written with either 24 or 60 months coverage and is renewable to age 65. Optional benefits include accidental death, dismemberment, loss of sight and hospitalization and surgical coverages.

The major medical expense contract will pay 75% of all listed forms of expense exceeding a deductible of \$500, until a maximum of \$5,000 is paid for any one injury or sickness or until two years elapses from date of injury or commencement of sickness. The maximum benefit increases 5% each year the policy remains in force, after the first, until it reaches a top limit of \$7,500.

N. E. Mutual Life Sets First Quarter Sales Record

New England Mutual Life's \$148 million of new business in the first quarter set a new record. It was a 23% gain and put the company well into its fifth consecutive best year in history.

The George B. Byrnes agency in New York city led with \$10,111,000, followed by Boston-Hays with \$6,408,000; Boston-Summers with \$5,397,000; New York-Marks with \$5,394,000 and Los Angeles-Bare with \$4,856,000.

Agencies topping \$2 million in March were Boston-Summers with \$2,648,000, Los Angeles-Bare with \$2,285,000, Cleveland-Weber with \$2,193,000 and Boston-Hays with \$2,023,000.

Start Wis. A & H Membership Drive

A breakfast meeting served as the kick-off for Membership Monday of A & H Underwriters of Milwaukee. Procedure followed that outlined by the International association and Thomas Callahan, Time, chairman of the International board was in charge. Madison, Eau Claire and other Wisconsin cities participated, with Charles H. Gilbert, Woodmen Accident & Life, Madison, Wisconsin association president, directing the statewide effort.

Only 10 Now Needed to Get Group Life Cover in New York

NEW YORK—Gov. Harriman has signed into law the bill reducing from 25 to 10 the number of persons required to constitute a group for the issuance of a group life policy.

He also signed the bill making it unnecessary to get departmental approval for A&H riders relating to the manner of distribution of benefits. This change brings A&H into line with life insurance.

Another bill signed by the governor permits the superintendent to fine fraternal for using policy forms not approved by the department. This is in line with the law applying to life insurance companies and gives the superintendent a less drastic alternative to revoking the offender's license.

Gov. Harriman signed a bill making the compulsory disability benefits law applicable to workers in certain trades not previously covered. He vetoed a bill that would have amended the disability benefits law in respect to destruction of records required to be filed under the law.

Using Insurer as Front for Tax Purposes Would Be Stopped by Tex. Bill

AUSTIN—The house insurance committee has recommended a bill in the Texas legislature which would prevent using a life insurance charter as a vehicle for carrying on some other kind of business, generally real estate.

The measure, which has the support of the insurance department, would require a Texas licensed company to maintain in force not less than 100 policies or less than \$200,000 of insurance, written either by the company or acquired through reinsurance. Companies would be allowed two years after issuance of their original certificate to comply with the provisions, or a year after its effective date for those with original certificates.

According to the Texas department, there are more than 100 existing companies with less than the required amount of insurance in force. About 80 charters, all but four or five for life companies, have been issued since Jan. 1, apparently in anticipation of legislative action increasing minimum capitalization. Most of the new companies

are capitalized at \$25,000.

Use of life charters to take advantage of federal income tax deductions on rentals from property designated as home office buildings is a fairly common practice in Texas. There is a general law requiring corporations to begin business within three years after charter issuance, and the department has invoked it to compel some small life insurers to write a nominal amount of insurance. According to records, a few have only \$5,000 of insurance in force while their capital is invested in real estate.

The senate has approved another of a series of insurance reform bills backed by the department. Because it was amended in a minor way, the bill was returned to the house where it had passed earlier.

The measure would provide for more frequent examination of new companies; allow the insurance department to pass on the competence and fitness of company directors and officers, refusing to let an insurer do business if they were found not worthy of public confidence; give the board power to pass on real estate valuations used in figuring assets; place supervision of the examination force under the entire board rather than the chairman alone; give each of the three commissioners a chief clerk.

March Best Sales Month for Occidental, California

Occidental Life of California's March sales of ordinary totaled \$75,938,606, the largest monthly sales in company history. The previous record was set in March, 1954, when \$75,703,823 was written.

Bankers, Ia., Has Big Gain

Bankers Life of Iowa's paid for business in March totaled \$23,926,982, a substantial increase over the same month last year. Ordinary accounted for \$13,958,335, group the remainder.

Production for the first quarter amounted to \$59,415,183, an increase of nearly \$4 million over the same 1954 period.

A meeting of members of the central Illinois agency of Northwestern Mutual Life was held at Springfield, Ill., with Charles V. Durr, general agent there, presiding. Talks were made by Robert E. Templin, superintendent of agencies, and Julian F. Leet, assistant director of agencies, of the home office. The following day an open house was held in the agency's newly redecorated offices.

A Complete Line of Coverage

Life Insurance
Hospitalization

Accident & Health
Medical-Surgical

Excellent Opportunities for Capable Salesmen

Bankers Life & Casualty Company

John D. MacArthur, President

Chicago 30, Illinois

Sixty-First Year of Dependable Service

★ The State Life Insurance Company has paid \$194,000,000 to Policyowners and Beneficiaries since organization September 5, 1894 . . . The Company also holds over \$84,000,000 in Assets for their benefit . . . Policies in force number 102,000 and Insurance in force is approximately \$220,000,000 . . . The State Life offers splendid agency opportunities— with liberal contract, and up-to-date training and service facilities for those qualified.

★ ★ ★

THE STATE LIFE INSURANCE COMPANY

Indianapolis, Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

WANTED: Regional Life Sales Managers

Reserve Life Insurance Company of Dallas, Texas, one of the largest companies in the field of individual disability insurance, is now expanding its ordinary life division. The Company has an enviable financial position and reputation, and is licensed in 38 states.

We need experienced, qualified life agency men to work as regional sales managers. If you are selected, you will be assigned to a 1 to 3 state territory, preferably an area in which you now reside or with which you are thoroughly familiar.

You must have supervisory ability, and be able to put general agencies under contract and make them productive.

You'll be paid a straight salary commensurate with your ability and background, plus an incentive bonus based on performance.

If you qualify, take advantage of this exceptional opportunity. Write to us at once. All replies will be kept confidential. Send full details including all previous business experience and personal history, plus a recent picture to:

E. H. Barry, President
Reserve Life Insurance Company
403 South Akard Street, Dallas, Texas

Postal Life Paid-for Insurance Sets Record

Total paid-for insurance of Postal Life at year-end came to \$28,352,262, up 8% since 1953, for the best year in company history. Total insurance in force increased by 18% to \$118,105,814.

Assets were \$18,064,693, a \$478,521 increase. Top quality bonds and first mortgage loans were the chief investments. Bonds totaled \$9,629,111 and mortgage loans came to \$5,624,243. Policy loans, fully secured by policy reserves, totaled \$1,500,252.

Policy and annuity reserves totaled \$15,993,009 and policy proceeds left with the company amounted to \$342,995. Dividend obligations to policyholders totaled \$644,493, of which \$219,000 was apportioned to policyholders during the year and \$412,493 represented dividends left at interest.

Surplus for policyholders' protection amounted to \$557,179, of which \$477,179 was surplus and \$100,000 was paid up capital. President George Kolodny termed 1954 the biggest and best year in company history.

Automatic Life Ins. Co.— How Close to Actuality?

(CONTINUED FROM PAGE 4)

tion? Actually, the processing of the policyholder's personal check is the only thing the electronic machine could not handle. Until personal checks from all policyholders are written in a uniform way on a standard check so they can be "read" by intelligent machines, the present system will not accept them.

Hypothetical Life is a very nice place to work. There are nearly as many employees as there were before the company went automatic. That is because the company has grown so much. The increased efficiency produced by automation resulted in lower rates which created more business. Also, the company has been able to make more money and raise salaries.

It is true some employees found themselves in altered or completely different jobs after many positions were eliminated by machines. However, the company did not have to lay off anyone because of automation. The hiring rates for the lower-paying jobs, where there is a great turnover of women employees, was simply slowed down while the company accustomed itself to using the electronic data processing system.

The original change-over cost Hypothetical Life quite a large sum, but savings offset this expense before too long. Several officials, working with top management, investigated the electronic machines for several years before a system was selected. The survey involved "re-thinking" and revising all company operations so that they could be switched to machine routine. The task was actually accomplished on a step-by-step basis that took many months to complete, once the first large electronic machine was installed. As a matter of fact, it took nearly 10 years for company personnel to obtain enough knowledge and experience and training to make full use of the machines' capacities as they were developed at that time.

While none of the goings-on at Hypothetical Life would not be possible with equipment already available—with the exception of dealing with checks—each company has to do a research job before deciding how much automation it should embark on, what functions should be handled by ma-

chine, and what timetable should be followed in making the conversions.

The answer is different for every company. But for the bulk of the business it is not a question of eventual mechanization or not. It is merely a question of making the moves in the ways and at the times that will produce the greatest benefit for the company, its policyholders, and its agents.

American United Stages Seminar on Classing Risks

More than 50 executives and underwriters from 18 states and Canada attended a risk classification seminar at the American United Life home office in Indianapolis.

The course was designed for those newly assigned to underwriting, as a familiarization course for those interested in underwriting and policy issue procedure and for personnel of new companies. The curriculum included such topics as elements important before receipt of application, examiner problems, new business considerations, lay underwriting, risk selection, policy issue and changes, claims procedure and reinsurance. John F. Munch, chief underwriter for American United, was in charge.

Concern Over Direct Placements Unfounded

The fear that direct financing will destroy the market for publicly offered securities handled through investment banking channels has proved unfounded, in spite of the growing popularity of the system, William R. Cowie, vice-president of Equitable Society, told examiners of New York insurance department at an in-training session.

He indicated that the private sale of securities was stimulated by the passage of the securities act of 1953 and that it grew to a peak in 1948 when 44% of all corporate securities offered were placed directly. This form of financing accounted for about a third of total security offerings and about 42% of corporate obligations in 1954, he said.

For institutional investors, direct placements have provided an outlet for their steadily increasing volume of funds and a close borrower-lender relationship. They have been criticized, but in several cases the criticisms are not supported by facts, he said.

Chapin Elected Director



Homer N. Chapin

Homer N. Chapin, a vice-president of Massachusetts Mutual Life since 1948, has been elected a director. He joined the company in 1921 and has served in the calculation, claims and investment departments.

Hear Panel at Oklahoma City

Training and supervision was the topic of a panel presentation at the April meeting in Oklahoma City of Oklahoma General Agents & Managers Club.

Participants included Phil Noah, American National, president of Oklahoma State Life Underwriters Assn.; Joseph Pinkerton, Prudential, and David Bridges, Kansas City Life.

OASI Fund Assets Over \$20 Billion

Trustees of old-age and survivors insurance trust fund, in their annual report to Congress, said the fund's assets last June 30 were \$20,042,615,000, compared to \$18,366,356,000 a year earlier.

NAIC Zone 3 Meet Set for Louisville May 1-4

Zone 3 of National Assn. of Insurance Commissioners will hold its annual meeting in Louisville May 1-4 with S. H. Goebel of Kentucky as the host commissioner.

Commissioner Larson of Florida will preside at the four-day session, a highlight of which will be a talk on public relations and its importance today by Arthur T. Sturgeon, vice-president Citizens Fidelity Bank & Trust Co., Louisville.

Elect Manzelman at First Illinois A&H Assn. Annual

(CONTINUED FROM PAGE 3)

reinsurance facilities. Proponents of these fail to recognize that in the health field there is seldom a concentration of risks large enough to require providing the spreading of a potential loss.

A federal health reinsurance fund would bring government into direct competition with the private reinsurance companies that are serving the market adequately. A federal reinsurance plan would contribute nothing to the financing of health care cost of those not presently eligible unless it included a government subsidy to make insurance available at lower premiums. Such a reinsurance plan would raise false hopes for a more rapid expansion of health insurance while contributing nothing to the realization of these hopes. There are other objections to the bill but the record shows conclusively that there is no need for federal legislation to stimulate the rapid expansion of voluntary health insurance. He reminded his audience that every time the government, federal or state, enters the field of private enterprise, especially a field where it is not necessary, government control enters and some freedom of action is sacrificed. Nothing has happened in the last two years to slow up or reverse the federal government's trend toward providing for the welfare of individual citizens. If this trend continues it is certain to affect private insurance and all of its branches.

John P. Hanna, managing director Health & Accident Underwriters Conference, speaking on "Our Business", said the title was misleading since A&H is no longer "our business in a restrictive sense. When you furnish this cover to as many as we have done, it is no longer strictly our business any more. A great many people are going to make it their business to know all about ours." Mr. Hanna opined that this is a good thing and it happened to the life insurance business to its own advantage. People want to know about A&H, scrutinize and criticize it, and they want the cover.

He pointed out that the A&H industry can be proud of the service it has performed in the last few years and if A&H had not done the job it has done, doctors today would now have socialized or government medicine. One of the easiest ways to measure the progress of A&H is to consider its growth premiumwise in the last few years, he said, and to look at the number of people covered. Also, in the last four or five years there has been progress in quality of the business in the form of broader cover, longer and higher limits and the stature of the business has been able to rise to

the challenge of providing voluntary insurance.

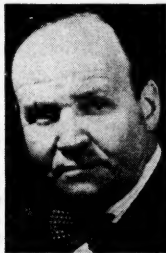
Mr. Hanna credited the improvement in stature to competition between companies. He said if there is anything troublesome in the industry everyone gets together and works out the problem. As to complaints, careful underwriting by the agent eliminates almost all possibility of them, he said. All along the line the record has been good. It has been estimated that 15 million A&H claims have been paid each year," he said. "More than 99.8% were paid without any complaints or inquiry to any insurance department."

The closing speaker, Chester C. Elson, Mutual Benefit H. & A. of Omaha general agent at Waterloo, Ia., rounded off the meeting with a highly inspirational talk on "Words Are Your Weapons." He said words are the tools of the A&H underwriter, and used properly they'll give you anything you want." Everyone should have a sales presentation carefully worded and organized. It should be studied and its effective use learned. "Then you are on the way to success. Keep in mind that emotion sells more A&H or any other kind of insurance than any logic in the world."

Adam Honored for 45 Years with Penn Mutual

Malcolm Adam, president of Penn Mutual Life, was honored on his 45th anniversary with the company at a dinner given by the trustees. He joined the company when he was 15, but continued his education and became a member of the bar in 1920.

Dinner arrangements were made by H. V. Smith, chairman of Home Fire, O. H. Bullitt, Philadelphia, and L. T. Beale, chairman of Pennsylvania Salt Manufacturing Co.



Malcolm Adam

Two Rulings on 'Death from Accidental Means'

Overruling the trial court and sustaining Inter-Ocean Ins. Co's. appeal, the Georgia court of appeals held that death from accidental means "directly and independently of all other causes" eliminates death due to an accident-caused flare-up of pre-existing disease.

The insured's leg was broken in an automobile accident. The injury caused a recurrence of a gall bladder condition which led to his death. The court ruled that the death was caused or contributed to wholly or partially by disease, and for such a death the company was not liable to pay accidental death benefits (1 CCH Life A&H 1119).

Another ruling on death resulting directly and wholly from accidental means has been stated by the federal court of appeals for the fourth circuit in its decision against an appeal by John Hancock.

The insured fell from a pier into the Potomac, swam about 40 feet, and was drowned. A post mortem showed that death was due to drowning, but it also showed a diseased condition of the heart and arteries and gave indication that the insured had suffered a coronary attack. In approving the decision of the lower court, the court of appeals quoted, "Admittedly accidental, decedent's headlong pitch in the darkness into a sudden and desperate

battle for his life against frigid waters of channel depth, while weighted down with heavy winter clothing, was so predominantly and overwhelmingly the cause of his death as to render his heart ailment a mere circumstance" (1 CCH Life A&H 1130).

N. W. Mutual Has Advanced Course for New Agents

MILWAUKEE—Agents from a dozen states are attending Northwestern Mutual Life's first 1955 career school at the home office.

Extending over two weeks, the school is designed to prepare the most successful new agents for advanced underwriting work. Among those addressing the group are Edmund Fitzgerald, pres-

ident; Grant L. Hill, vice-president and director of agencies; Victor E. Henningsen, actuary; William B. Minehan, secretary; Dr. G. F. Tegtmeyer, medical director; H. W. Gardiner, director of education and field training, and J. N. Lochames, director of underwriting.

Propose 100% Stock Split for National Fidelity Life

Stockholders of National Fidelity Life at their meeting May 4 will consider a director's proposal for a 100% capital stock dividend. This would boost capital from \$500,000 to \$1 million, consisting of 500,000 shares with a \$2 par value.

The new stock would be paid for out of surplus, reducing that account from approximately \$1,750,000 to \$1,250,000.



MARTIN B. WILLIAMS
Executive Director

A tribute to the LIFE INSURERS CONFERENCE

In being a part of a great industry, there is an attendant obligation to serve it.

Almost fifty years ago the Southern Casualty and Surety Conference, now the Life Insurers Conference, was organized to serve the general welfare of the insurance business . . . to help the insurer more fully realize his responsibility to the public.

At Life and Casualty Insurance Company of Tennessee, we fully recognize our obligation to support our industry service organizations. We participated in its organization and have continually given support to L.I.C. We have sent large delegations to all conventions, served on committees, and at times have held offices in the conference. Today, our president, Mr. Guilford Dudley, Jr., is a member of the executive committee.

To the Life Insurers Conference . . . for collecting and disseminating vital statistics in the fields of life, health and accident insurance, and for playing such an important role in our industry's growth and well-being, Life and Casualty dedicates this salute.

NATIONAL
CONVENTION
May 18-20, 1955
Broadmoor Hotel
Colorado Springs
Colorado



LONG TERM BANK LOANS
ARRANGED ON VESTED
RENEWAL CONTRACTS



LIFE AGENTS
GENERAL AGENTS
AND BROKERS

U. C. & G. C. serves the financial needs of those engaged in the Life Insurance Business. Your tax problems may be simplified and savings effected. Correspondence invited.

UNDERWRITERS CREDIT & GUARANTY CORPORATION

340 Pine Street, San Francisco 4, California
Southern California & Arizona Branch Office
9935 Santa Monica Blvd., Beverly Hills, Calif.

50% of Life Insurance Is Under Newer Plans

More than 50% of the nation's \$339 billion of life insurance is under plans which have been created or received their major development in the past 25 years, according to Institute of Life Insurance.

Development of special protection plans demonstrates efforts of the life business to widen insurance ownership and meet specific public needs, the institute said. It also shows the public is interested in increasing financial security programs.

Family income life plans, first written 25 years ago, totaled about \$30 billion at the start of the year. Retirement income insurance, an old form which received its major stimulus during the 1930's, now accounts for \$13 billion. Credit life, almost entirely developed in the last 15 years, now covers more than 20 million loans for \$10 billion, nearly one-third of the outstanding consumer credit in the country.

Business life, relatively new 25 years ago, has grown to an estimated \$20 billion, covering key men, business continuity or transfer of ownership at death. Extra risk life is more than 50 years old but was greatly developed in

the past 25 years. It includes 5 million policies for \$14 billion on those in impaired health or hazardous occupations.

Group life secured through corporations totals \$91 billion under 30 million individual certificates. Although created in 1911, it has increased 900% in the past 20 years. Ordinary juvenile, chiefly developed in 1939, totals more than \$13 billion and insures several million children.

Central Mich. CLU's Form Chapter—96th in Nation

Central Michigan CLU chapter was established at a dinner meeting at Lansing. The charter, third in Michigan and 96th in the nation, was presented by Herbert C. Graebner, dean of the American College, to Wayne W. Croxton, Equitable Society, Lansing, the chapter president. Cleo Baker, Canada Life, Jackson, is vice-president and Fred Colwell, American Annuity Life, Lansing, secretary.

Mr. Graebner commented that agents have a tendency to underrate themselves and their profession. "The days of the peddler are gone," he said, adding "the era of the programmer is here. Government and unions provide subsistence and fringe benefits but insurance benefits must take care of the luxuries".

Corporate Bond Interest Rates Show Small Rise

Interest rates earned on corporate bonds held by life companies have improved in the past six years but the rise has not been large, and the 1953 rate was still below the average rate for the 1940's and one-third less than in 1929, according to Institute of Life Insurance.

The rate earned on certain types of corporate bonds has declined since 1947, when the earning rate on all assets was at an all-time low. The 1953 rate on utility bonds was moderately higher than in 1947, and only the industrial portfolio has revealed any appreciable rise in interest rates.

The rate earned on all types of corporate bonds in 1953, the last yearly rate available, was about 3 1/2%. It was about 1/2 of 1% better than 1947. Life companies investments in corporate bonds exceed \$34 billion, compared to \$14,754,000,000 in 1947 and \$4,579,000,000 in 1929.

The earning rate on total assets of life companies, now is 3.46%, compared to 2.88% in 1947. The greater part of the increase is due to material changes in investment channels made available during this period, said the institute. As more funds were channeled into higher yield investments and less into lower yield investments, the overall earning rate rose, even when there was no appreciable change in interest rates earned on various portfolios. About two-fifths of the improved earning rate came from higher interest rates, the other three-fifths stemming from changed investment distribution.

The companies increased their holdings in industrial, commercial and public utility bonds and mortgages. Stock holdings, although small in relation to total investments, increased during the six-year period, also.

As the need for capital funds increased and the need to hold large amounts in U. S. government securities diminished, these holdings were decreased. They were in the low earning category.

Jefferson Standard Dedicates Buildings

Double dedication ceremonies were held by Jefferson Standard when the new nine-story branch office building and the new million-dollar home of Jefferson Standard Broadcasting Co. were officially opened. The office is at South Tryon and East Third streets, and the broadcasting building, from which WBT and WBT-TV originate, is on Jefferson place, Charlotte, N.C.

During the dedication, Howard Holderness, president, said that the company had set a new sales record with an 18.6% increase in the first quarter.

State Mutual GAs Elect

Gerald H. Young, New York City, was elected president of State Mutual Life's general agents' association at the conference at Hot Springs, Va. Other officers are Harry J. Altick, Detroit, vice-president, William Daley, Portland, Me., secretary, and Louis A. Cerf Jr., immediate past president, Richard F. Wagner, Boston, Walter C. Leck, Chicago, and John M. Hammer, Tampa, executive committee.

Creighton Named at Boise

William C. Creighton has been named manager of Prudential's intermountain mortgage loan office at Boise, Ida. He succeeds R. G. Royer who is retiring. Mr. Royer joined Prudential in 1946 as manager of the then new Boise office. Before that he was with Vermont Loan & Trust Co. at

Spokane, Wash.

Mr. Creighton's territory includes Idaho, Montana, Utah and a portion of northern Nevada. He joined the company in 1936, advancing through various posts to associate manager at Boise last January.

McDonald, Taylor New K. C. Life General Agents

Hugh L. McDonald and Robert C. Taylor have been named general agents for Kansas City Life. Mr. McDonald's territory will comprise 37



R. C. Taylor



H. L. McDonald

counties in south central Georgia, with headquarters at Meigs, and Mr. Taylor will operate in all of Arkansas except 10 counties in the northeast area. He will have offices at Little Rock.

Both men have had long life insurance experience. Mr. McDonald was with another life company for 25 years in both sales and managerial capacities. Mr. Taylor, with Kansas City Life since 1946, was in agency positions in Arizona and New Mexico before being appointed general agent.

LIAMA Promotes Two on PR, Editorial Staffs

Margaret A. Duffy, LIAMA public relations assistant, has been named advertising manager and Jacqueline O. Utz has been advanced to assistant editor of *Manager's Magazine* and *District Management*, bi-monthly publications of LIAMA. Miss Duffy will handle advertising for the two publications in addition to her publicity and public relations responsibilities. Mrs. Utz, formerly assistant editor of *Life Insurance Selling and Local Agent*, has been with LIAMA since 1953 and has been editorial assistant of the magazines nine months.

Harold L. Steinkamp Succeeds Father as GA

Fidelity Mutual Life has named Harold L. Steinkamp general agent at Memphis to succeed his father, Carl W. Steinkamp, who is retiring to devote his time to personal production, after 20 years. Harold Steinkamp entered insurance in 1945 and became assistant general agent at Memphis in 1949.

LOMA Seminar Card Set

Ray D. Murphy, president of Equitable Society, J. McCall Hughes, vice-president and controller of Mutual Life of New York, and George T. Conklin, financial vice-president of Guardian Life, will participate in the annual seminar of Society of Life Office Management Assn. Graduates on May 11 in New York city. Harold M. Stewart, executive vice-president of Prudential, will be main speaker at the dinner.

A panel on life insurance operations, with Frank D. Lewand, New York Life, as moderator, will include Herbert P. Annen, New York Life, "The Branch Office System"; John A. Solomon, Union Casualty & Life, "Organization of an Ordinary Department"; George S. Haushalter, Home Life, "Underwriting of Extra Premium Risks"; and Herman V. Straehle Jr., Metropolitan Life, "Self Development." The annual meeting, with election of officers and councilors, will be held.

Life Agency Managers of Chicago will hear John A. Hill, Aetna Life general agent, Toledo, at the April 28 meeting.

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

AGENCY SUPERVISOR FOR VENEZUELA

with an American life insurance company doing business in Latin America. Requisites: Age 32 to 40, must be absolutely fluent in Spanish, have good agency production and persistency record with some experience in agency management. Preferably man with Latin background or one who has lived at least 3 years in Latin America. Good salary and excellent production bonus to man selected. Send full particulars and picture to Box E-47, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

GROUP ANNUITY SPECIALIST

Large life insurance company has opening for man who is looking for opportunity and willing to locate in Mid-West or Southwest. Must have minimum of 3 years' experience in designing and selling plans. Write stating experience and expected salary. Replies will be held confidential. Box E-33. The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

OPPORTUNITY HOME OFFICE—ACCOUNTANT—BOOKKEEPER

Life — A & H Company — Southeastern State Insurance Company Accounting, some knowledge of underwriting, administrative ability. Good opportunity for the right man. Working conditions among most modern with a young company, well financed, aggressive and prosperous. Write giving details of education and experience enclosing recent photograph. Replies completely confidential. Address # E-10, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

LIFE BROKERAGE MANAGER

Successful life underwriter, age 35-45. LUTC or CLU graduate preferred. Must have personal production record of \$400,000. Salary, \$300. mo., plus 7 1/2% override, plus personal commission. Replies strictly confidential. Raymond A. DuFour, CLU., General Agent, Pacific Mutual Life Insurance Company, 1511 K Street, N. W., Washington, D. C.

WANTED

Accident & Health Production Man for Midwest branch of large multiple line casualty company to work with agents in Midwestern and Southern states. Must be experienced, willing to travel and have proven production record. Please write full personal and work history. Address E-43, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

UNUSUAL OPPORTUNITY

In progressive young Southern Company for Home Office Agency Director. Must have been good personal producer with successful background in recruiting and training. Salary open. Send complete personal history to Box E-44, c/o National Underwriter Co., 175 West Jackson Blvd., Chicago 4, Illinois.

FOR SALE

Newly chartered Arizona Life and Disability Company, because of health. Unusual opportunity. Write #E-50, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Competition, Prosperity Bring March Records

(CONTINUED FROM PAGE 1)

the company's sales are directed toward higher income people, who face large income taxes this month, the impending April 15 deadline apparently did not deter them from incurring new insurance obligations a few weeks earlier.

The wide spread of ordinary life sales, which included no big individual cases, has left company officials a little mystified. The only explanation suggested is a partial one: That some of the gains made in the national economy are being transferred to life insurance. Even so, insurance has not kept pace with the boom, an official pointed out.

Northwestern Mutual Life experienced the largest March in its history. The paid for business totaled nearly \$54.5 million, a gain of 14% over last year and up 13.6% over the previous March record set in 1947.

A spokesman, noting the large volume cannot be attributed to any particular type of business or sale, said, "We have no 'special' contract, as we feel all Northwestern contracts are 'specials'. We are getting an ever-increasing volume from our agents' efforts in the advanced underwriting and business insurance fields, but the volume from fundamental family protection cases increased at just about the same rate. The average size case was up a bit, but certainly not enough to account for the sales increase."

The spokesman quoted a recent statement of A. A. Berle, former Assistant Secretary of State, observing that "for the first time in recorded history a huge and growing population is concerned with the problems not just of living, but of what life they want to live." The entire tenor of the times is one of dynamic prosperity and a continued bright outlook for the future, the spokesman continued, "something clearly borne out by the rate at which Northwestern agents are selling life insurance."

An officer of Metropolitan Life predicted 1955 will be at least as good as 1954, based on business increase to date. The company has moved forward this year without special sales campaigns, which it does not sponsor, and without introduction of any new policies recently.

He suggested that last year's increase in social security benefits and the new federal group life insurance law helped focus greater attention on life insurance. Changes in the 1954 internal revenue code which liberalized federal taxation of life insurance benefits also helped sales. The booming economy has not only affected ordinary life sales, but also key man and business insurance.

Increased competition has spurred companies on to greater production and resulted in expansion of the business as a whole, the Metropolitan official said, contrasting this with other types of business where greater competition may mean less for some firms because the total amount of business that can be done is limited.

An upturn of confidence in the economy in the last three months was the main reason cited by a Prudential officer for his company's achievements so far this year. January, February and March have been "very good months," he said.

Ordinary life sales in March were the highest of any month in Equitable

Society's history and the sixth consecutive month in which more than \$100 million of insurance was sold.

A company spokesman attributed this achievement to an aggressive and extended effort by the sales force, more effective advertising, and the country's prosperity. He felt the aggressiveness of the sales staff played the greatest part in establishing the production record. He placed the condition of the U. S. economy as the second most important factor. Although advertising has had a definite effect on the end result, it is more difficult to measure because it is an intangible, he said.

New York Life reported March was the greatest single month in its 110-year history, with \$157,290,000 in individual ordinary paid business. Group life totaled \$82,360,000 in January, February and March, making it the best quarter for the group department. A&H did very well in March, also. New York Life anticipates a banner year. To mark its anniversary, a highly successful one-day nationwide drive was held April 12, results of which will be reported later.

This good business is the result of an expanding economy, growing population and excellent business conditions, said a New York Life executive. Furthermore, many people have come to realize that their life insurance protection has lagged behind their increased income and greater responsibilities. In other words, he said, life sales have not been keeping pace with the economy in recent years. But now they are beginning to catch up. The result is that sales records are being broken.

Guardian Life staged a campaign last month in honor of Frank F. Weidenborner, agency vice-president. The results shattered records for any March and any campaign month in company history. Ordinary life sales set a new mark and so did A&H, where a newly introduced major medical policy stepped up sales all along the line. Ordinary life sold came to \$25 million in March.

The stimulus of the campaign, added to improvement of public confidence in a stable economic situation, contributed greatly to the March accomplishments, said a top company official. Improvement of the product plus more competitive merchandising figured in the picture, also. The company's new major medical policy, probably the first to be renewable for life, played a part, too.

March ordinary sales of \$34,527,409 for Continental Assurance set a new single month record, and first quarter ordinary sales of \$182,282,548 represented a new high for any comparable period. First quarter sales in 1954 were \$83,275,753.

Indicating the company's record of large gains is a reflection of favorable business economy throughout the country, a company executive said all four of the agency department divisions showed significant gains for the first quarter. While company sales results usually follow national trends, either upward or downward, the spokesman said in the past a single division would be up while the others were down, or vice versa. So far this year the sales increases have been registered throughout the agency force, and without spe-

cial stimulus in the form of contests or campaigns. Rather, he attributed the fine company showing to strong optimism with respect to the nation's economy and future, both on the part of the agency force and the public.

Mutual of New York listed \$46,919,090 new ordinary business for March, up 38%, and \$37,648,665 for February, up 39%. Although no campaigns have been run this year, four new policies with low gross premium rates were introduced in February and helped to boost production.

Average size of policies sold in March was \$6,284, setting an all-time company record. The record had been \$6,133. Average size in 1954 was \$5,383. The company is new to the A&H and group fields.

The fact that federal income taxes were not due in March was another reason put forth for the high sales figures of that month.

Mutual Benefit Life noted a 25% increase in business of the first quarter and an 18.5% increase in March. It was regarded as a very good month, despite the curtailing of production activities due to the general agents' association meeting in Florida.

Mutual Benefit's heavy recruiting program, typical of many companies,

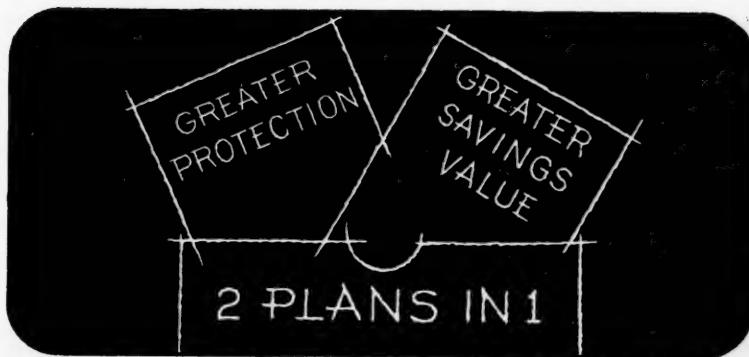
is beginning to show results as reflected in first quarter and March figures, said a vice-president. The competitive situation among companies, causing greater emphasis on advertising and sales promotion, is another reason for the achievements. The new internal revenue code concerning life insurance benefits has helped sales. The general "boom" in the economy also is a factor, the company official felt.

Policy Benefits Rise by 13% in February

Payments to families from life policies in February were \$424,607,000, up 13%, and brought the total for the first two months to \$901,665,000, an increase of \$89,226,000 over the same period of 1954, according to Institute of Life Insurance.

Payments are 40% for death claims and 60% for living policyholders, including matured endowments, disability, annuities, surrender values and dividends.

Living benefits, increasing more rapidly than death benefits, are 7% ahead this year. Payments to policyholders are 14% greater. Matured endowments and dividends to policyholders are 20% and 17% larger, respectively.



Packaged Insurance Sells Faster

(One of a series)

THE MACCABEES EXECUTIVE ESTATE PLAN

The Maccabees Executive Estate plan offers the effect of two plans in one.

It combines the high face value protection of Ordinary Life with the savings values of 20-pay Life.

The relatively low rates are further reduced after 20 years making this an excellent retirement plan.

It is ideally suited to today's savings-minded public and to packaged selling techniques.

The minimum face amount sold on this plan is \$5000. Therefore, an agent selling this plan is assured substantial earnings per sale.

Sales Aids—High-powered sales ammunition produces qualified prospects and helps close the sale. Direct mail material, custom designed for this plan, is FREE to our agents in unlimited quantities including all postage costs.

● We offer excellent opportunities for rapid advancement in many territories in the U. S. and Canada. Write to Robert O. Shepler, Field Director, for complete information.



THE MACCABEES BUILDING • DETROIT 2, MICHIGAN

Wide Topic Range at Omaha Rally of LAA Round Table

(CONTINUED FROM PAGE 2)

what her husband's quota is for the month and how much he has written so far. If both answers are correct an award is sent to the wife.

Homer Shaw, Farmers & Bankers Life, described a "Hearts Desire" campaign, timed with Valentine Day. Bills of different denominations were encased in large, red plastic hearts and were awarded as prizes to the wives in advance. When an agent topped his quota, the key was sent to unlock the wife's "Heart"; otherwise, the currency-bearing heart had to be returned.

Edwin P. Leader, Bankers Life of Iowa, considered incentive values of prestige-building elements other than awards. Reprints of articles featuring agents in the weekly honor roll are sent to a reasonable number of good prospects submitted by the agent to help build the man in his community.

Mr. Leader stressed the importance of ego recognition. When an agent qualifies for further training in the home office articles are prepared for home town newspapers and announcement cards are made up. When an agent is featured in the company's magazine, reprints are prepared for distribution in the community by his manager.

Gene Higgins, United Benefit Life, urged gearing contests to increase sales presently and also the year round. He suggested these rules in organizing contests—spread the prizes around, do not set qualifications too high, do not make too many contingencies to win and follow through by continually stirring up interest.

Jack Morris, Business Men's Assurance, past president of LAA, and A. H. Thiemann, New York Life, the current president, were guests of honor at the dinner following the social hour.

The final business session was presided over by James Farlee, United Benefit Life, who termed direct mail the most effective way to get a message across in a controlled way.

Gordon M. Moodie, divisional sales manager of IBM, discussed the importance of integrating the salesman's direct mail efforts with national advertising.

Lester Suhler, subscription manager of Look has found the use of "personal" effective on the envelope when it is one of several mailings to the same list; a one page letter more successful to repeats; indentations of new paragraphs better than block paragraphs and mentioning a premium on a separate order card more fruitful than including it in the letter.

James Curtin, president of the direct mail firm, Curtin & Pease, Toledo, spoke on "Testing." He suggested that life advertisers go to present policyholders and get a profile to find the type who buys more mortgage insurance, for instance. The profile will show an age and average income group. The next step is to build a list of these young executives or buy one from a well known list house. Every list should be tested for responsiveness and a table of minimum sample sizes is available from Direct Mail Advertising Assn. to determine the number of copies to mail.

N. Murray Longworth, president of United Benefit Life, concluded the

meeting with an address "Ideas—Your Fortune." Calling attention to the 25 million increase in population from 1950 projected through 1960 and to the anticipated total population of 200 million by 1970, he averred opportunity is at a new high, though it presents a strong challenge to produce new and better merchandising ideas every day.

Suggesting steps on how to go about the imagining and thinking of new ideas, Mr. Longworth advised approaching everything from the standpoint of "why." Get all the necessary facts and material in mind. Then let your imagination run wild without suppressing thoughts out of fear of criticism. Let your ideas brew in your mind for if they do not fit the present problem, they will come back later on and be useful. Use team play with your associates—someone will hit on an idea that is solid. Finally, be judicious and make your ideas fit a practical plan of action.

Minnesota Life Agents Set St. Paul Meet April 28-29

Minnesota Assn. of Life Underwriters will hold its annual meeting and sales congress at St. Paul April 28-29. Minnesota Life Leaders Club also will meet April 28.

Speakers Thursday will include Robert R. Girk, Indianapolis tax attorney, and Robert Shay, director of agencies for Bankers Life of Iowa.

The sales congress will feature talks by Stanley Martin, State Mutual Life, Dallas; Homer Chaney, director of agencies of New England Mutual Life, and a panel on money-making techniques. Participating agents will be Carl Gauck, Fairmont; Hugh Wheeler, Duluth, and Greg Hagan and John Steger, both of St. Paul.

Card Ready for Los Angeles A&H Sales Rally May 6

Los Angeles A & H Managers Club, which will hold its annual sales congress May 6, will be addressed at the luncheon by William G. Coursey, managing director of International Assn. of A & H Underwriters.

Other speakers include Walter G. Gastil, Connecticut General, Jeff Bramcom, Washington National, and Walter F. Schmitz, Occidental of California.

June 2-3 Convention Dates for Kentucky Life Agents

Kentucky Assn. of Life Underwriters will hold its annual convention and sales meeting at Louisville June 2-3.

The first day Solomon Huber, Mutual Benefit Life general agent at New York City, will discuss taxation and business insurance, and Fred G. Kimball, manager of sales training for New York Life, will talk on basic selling problems. The banquet speaker that evening will be Dr. William H. Alexander, pastor of First Christian Church, Oklahoma City.

Speakers the second day include Joseph F. LoBosco, Manufacturers Life, Welland, Ont., Can., and Walter W. Smith, Metropolitan Life, Rutherfordton, N. C.

S. C. Slates A&H Probe

A concurrent resolution has been introduced in South Carolina calling for the appointment of a 6-member committee to investigate A&H practices, including policy provisions, cancellation and selling procedures, rates and settlement practices of companies writing A&H in the state.

Oklahoma CLU chapter at its April meeting heard a talk by Pendleton Miller, New England Mutual Life general agent at Topeka, Kan.

'WOULD BE SUBSIDY'

Federal Reinsurance Plan a 'Give-Away', Brower Tells Agents

"A broad segment of the American public is in line to finance all or part of another government - sponsored 'give-away' program—this time in the field of health insurance," Horace W. Brower, president of Occidental Life of California, said at a meeting in Chicago.



H. W. Brower

Referring to the administration's proposed legislation to provide for reinsurance of voluntary health plans, Mr. Brower said the plan is apparently designed to encourage insurance companies to make health insurance available to people who are now too old to qualify, or uninsurable by reason of existing sickness or disability, and people who cannot afford to buy it.

Speaking to 150 of his company's top agents from the midwest and east, Mr. Brower pointed out that if insurance companies placed on the market health insurance that included these uninsurables, (1) higher premiums would have to be charged the entire insuring public or (2) the companies would be forced to operate at losses they could not afford or (3) the taxpayer would be called upon to subsidize the plan.

Prime factors determining premium rates, he said, are amount and frequency of claims, hospital and medical costs, and costs of administration. Claims, of course, would skyrocket if companies offered insurance to people who for reasons of health are not now considered good risks," he declared.

To prevent rates from rising beyond reach of the consumer, the government would establish a \$100 million reinsurance fund to cover 75% of any losses insurance companies might suffer experimenting in this field, Mr. Brower related. "It is generally agreed throughout the industry that any such experimentation program would involve losses—25% to be borne by the insurance companies who would be forced to pass them on to their policyholders—75% paid by the government which historically passes on its losses to the taxpayer."

"Our industry has already made tremendous gains in a relatively short span of time, and right now is carrying aggressive experimentation in the health insurance field. For example, deductible plans similar to automobile coverage, coupled with protection from catastrophic losses up to \$20,000 and more are already on the market." Apparently the sponsors of this reinsurance bill are unaware of this experimentation program now going on, or are unwilling to wait and give us sufficient time to measure the results of the experimental program and devise plans based on this experience, he said.

Mr. Brower said major medical coverage pioneers feel that health insurance plans should be designed to protect the individual against unexpected, major medical losses that he cannot afford. "One of the major challenges facing the insurance industry today is

the education of the consumer to the realization that he should budget a small amount each year to take care of normal medical costs, and rely on health insurance to protect him from the large losses," Mr. Brower said. "Health insurance is now and will continue to be rapidly expanded and improved. The government is not going to accelerate this growth by fathering an economically unsound giveaway program."

San Francisco Agents Elect Paldi President

George Paldi, Guardian Life, was elected president of San Francisco Life Underwriters Assn. at its annual meeting April 19. He succeeds Herbert W. Humber, Mutual Benefit Life.

Jules Routbort, Penn Mutual, was named vice-president and Elmer E. Scherf, California-Western States Life, secretary. New directors are J. J. Condran, State Farm Life; Carl S. Mehlhop, Northwestern Mutual, and Frank M. Crook, Pacific Mutual. R. Edwin Wood, Phoenix Mutual, was reelected national executive committeeman.

Vice-presidents representing the general agents and managers, CLU chapter and women's section are to be named by those groups. The usual practice is for the managers and the CLU chapter to name their presidents as vice-presidents while the women select one of their number to serve on the board.

Mr. Paldi already is giving attention to special events for 1956 when the association will observe its 50th anniversary. Speaker at the annual meeting was Robert L. Walker, NALU president.

Mutual of N. Y. Sales Increase 38% in March

Mutual Life of New York's March sales amounted to \$46,919,090, up 38%, and in February totaled \$37,684,665, increase 39%. Average size policy issued in March was \$6,284, exceeding the record of \$6,133 set in February. Average size policy sold in 1954 was \$5,383. The February and March records followed introduction of four new policies at low gross premium rates.

Form 2nd Delaware Assn.

Kent & Sussex Life Underwriters Assn. was organized at a meeting in Dover and makes the second life agents' group in Delaware.

John W. Tarbell, Acacia Mutual, was elected president; John Davis, Equitable of Washington, D. C., secretary, and John Sparks, Metropolitan, treasurer.

Claude L. Benner, president of Continental American Life, presented the charter to the association at its organizational meeting. The other association is named after the state and has headquarters at Wilmington.

Brooklyn Educational Meeting

Maurice Blond and Bernard M. Eiber, agent and general agent, respectively, of Mutual Trust Life in Brooklyn, and Mark C. Muller, agent of Phoenix-Mutual in New York City, will speak at an educational meeting of Brooklyn branch of the New York City Life Underwriters Assn. April.

Joins Philadelphia Life

Joseph F. Garland has joined the brokerage department in the home office agency of Philadelphia Life. He recently has been with Penn Mutual Life.

Pacific Mutual Life has opened a new mortgage loan office at Salt Lake City to serve all of Utah. E. L. Cook is district manager.

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